

The **NATIONAL UNDERWRITER**

Life Insurance Edition

CAREER AGENTS

We take pride in the steady development of career agents in our field organization, as shown below. The table shows the percentage of increase in the number of members in each Production Club during the past two "Agents' Years," each ending May 31st.

	Increase Agents' Year '41 over '40	Increase Agents' Year '42 over '41
Half Million and Over Club	74%+	200%+
Quarter Million Club	39%+	70%+
Hundred Thousand Club	16%+	20%+

**THE NORTHWESTERN MUTUAL
LIFE INSURANCE COMPANY**

Organized 1857

FRIDAY, AUGUST 14, 1942

TO EXECUTIVES: NOW YOU CAN HELP

Even More...

New Treasury Ruling Permits Purchases
UP TO \$100,000, in any Calendar Year, of
Series F and G WAR BONDS!



The Treasury's decision to increase the limitations on the F and G Bonds resulted from numerous requests by purchasers who asked the opportunity to put more money into the war program.

This is not a new Bond issue and not a new series of War Bonds. Thousands of individuals, corporations, labor unions, and other organizations have this year already purchased \$50,000 of Series F and G Bonds, the old limit. Under the new regulations, however, these Bond holders will be permitted to make additional purchases of \$50,000 in the remaining months of the year. The new limitation on holdings of \$100,000 in any one calendar year in either Series F or G, or in both series combined, is on the cost price, not on the maturity value.

Series F and G Bonds are intended primarily for larger investors and may be registered in the names of fiduciaries, corporations, labor unions and other groups, as well as in the names of individuals.

The Series F Bond is a 12-year appreciation Bond, issued on a discount basis at 74 percent of maturity value. If held to maturity, 12 years from the date of issue, the Bond draws interest equivalent to 2.53 percent a year; computed on the purchase price, compounded semiannually.

The Series G Bond is a 12-year current income Bond issued at par, and draws interest of 2.5 percent a year, paid semiannually by Treasury check.

Don't delay—your "fighting dollars" are needed *now*. Your bank or post office has full details.



Save With . . .

War Savings Bonds

This space is a contribution to America's All-Out War Program by *The* NATIONAL UNDERWRITER

The NATIONAL UNDERWRITER

Forty-sixth Year—No. 33

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, AUGUST 14, 1942

\$3.50 Year, 20 Cents a Copy

Ten Candidates for Six N.A.L.U. Trustee Posts

Paul Dunnavan of Minneapolis Is Latest in the Field

On the eve of the annual meeting of the National Association of Life Underwriters in Chicago announcement is made of still another candidate for trustee, he being Paul H. Dunnavan of Minneapolis. He is being put forward by a group headed by Frank T. McNally, general agent of Massachusetts Mutual Life in Minneapolis.

Mr. Dunnavan entered the business in 1926 with Canada Life and has been with that company ever since. He has been the leading producer in this country for Canada Life on several occasions and led the entire company in 1938, '39 and '40. He qualified for the Million Dollar Round Table for the first time in 1934 and became a life member in 1939. He is a life and qualifying member of the round table for the current year.

Mr. Dunnavan served as president of the Minneapolis Association of Life Underwriters for two terms, in 1935 and 1936, and has been national committeeman since 1936.

In the N.A.L.U. he served as chairman of the committee on cooperation with attorneys in 1939 and 1940 and as chairman of the committee on cooperation with trust companies in 1940 and 1941. He graduated from the University of Minnesota. He was a pilot in the U. S. army air service in the last war and served six months overseas with the French army prior to entering service with the United States army.

Ten Candidates in Field

There are six trustees to be elected for two-year terms next week. So far there have been 10 announced candidates. Three of the trustees whose terms are expiring are candidates for reelection, they being Tom B. Reed, Great Southern Life, Oklahoma City, who was elected at Cincinnati last year for a one year term; Roy Ray Roberts, State Mutual Life, Los Angeles, and Jul B. Baumann, Pacific Mutual Life, Houston, who was appointed a trustee when Gale F. Johnston was elected third vice-president of Metropolitan Life.

The other three trustees whose terms are expiring are W. H. Andrews, Jr., Jefferson Standard Life, Greensboro, N.C.

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War Time Sales Editions

Vital, Dynamic, Practical, Constructive Material Will Be in The National Underwriter Dailies to Be Issued in Chicago Next Week

The National Association of Life Underwriters is carrying on the continuity of its work and tradition but in considerably abbreviated fashion in deference to the war situation, at its annual convention at the Edgewater Beach Hotel in Chicago commencing Monday. The essential business of the organization will be conducted during sessions running through Wednesday noon. The pattern of the meeting is similar to that of the mid-year gatherings although the attendance will undoubtedly be considerably larger than at those sessions, falling, however, below the usual annual convention mark.

Work Is Related to War Effort

The N.A.L.U. might very well have gone ahead with its plans for a full convention without violating the spirit of the request of the Office of Defense Transportation that conventions not related closely to the war effort be canceled or abbreviated. The work of the life insurance salesman is very closely related to the war effort and there is no doubt that the inspiration of a full convention would have put into the hearts of hundreds of agents new zeal resulting in greater sales of life insurance and greater sales of war bonds. However, the association leaders desired to cooperate to the utmost in the emergency and hence made the disappointing decision to reduce the annual meeting to lesser proportion.

This has been a magnificent administration of the N.A.L.U. and it is regrettable that President John A. Witherspoon is not able to face a full convention group. This has been a war time administration and it has risen to the emergency in notable fashion. The war bond sales campaign has been conducted with enthusiasm, earnestness and a real sense of responsibility. The success of this great work reflects in no small measure the dynamic qualities of President Witherspoon. It has been a continuing objective with him and we dare say that there has been no volunteer work in behalf of the war effort in this country that has been carried out by any single group with more effectiveness than this.

Vital Life Insurance Problems Created

Then there have been the vital life insurance problems caused by the war revenue measures. No matter what the final outcome may be, the N.A.L.U. has handled the problem in superlatively statesmanlike fashion. The presentations have been truly public spirited and in the halls of Congress there has certainly been won great respect for the character of the leadership in the life insurance agency ranks and that has been a public relations job of the first magnitude.

In some organizations it may be true that the actual work of the association can be accomplished by small groups and the rest is largely window dressing and an occasion for conviviality and

good fellowship but the speaking programs at the conventions of the National Association of Life Underwriters are by no means window dressing and are never regarded as such. These programs are one of the main spark plugs of the business. The speeches not only grip and stir those in the meeting halls, which incidentally are always filled to capacity and continue to be filled to the last, but they go out in printed form and are studied diligently by the rank and file producer throughout the country because he knows that here is offered much of the most valuable material of the year. The speakers are carefully selected and they prepare themselves with the knowledge that they have been signally honored and with a desire to come up to the high mark expected of them. Those that perform in outstanding fashion are immediately signed up to make appearances before local groups throughout the country during the fall and winter season. It is one of the great morale building factors of the business and has a real purpose.

The National Underwriter Dailies

For many years THE NATIONAL UNDERWRITER has been publishing at the convention city three special daily editions, covering the proceedings. This is always a difficult task and one that demands every resource that this publication possesses. Entirely aside from the commercial aspect of the publication, THE NATIONAL UNDERWRITER gets much satisfaction from this work, because these publications are so highly valued in the field. At the close of each day's sessions, as the audience leaves the hall, papers covering that day's activities are handed out and there is an almost greedy interest in them. Moreover these editions are read just as avidly or more so by the regular subscribers who are not at the convention and are kept in the files. Agency heads use the material as the basis of agency meetings for several months.

When the decision to hold a curtailed convention this year was announced, THE NATIONAL UNDERWRITER people studied the situation carefully. There was the unanimous opinion that some sort of a special publication should be put out as usual and it was also realized that the actual proceedings of the convention would not justify three special editions of convention reports. Moreover, it was appreciated that the business generally would not want it to appear that the convention were being magnified. The editors did feel that at this particular time of the year when the business is accustomed to receiving the lift that it gets from the convention literature, there could be supplied substitute material of a timely nature that would in some part do duty; that THE NATIONAL UNDERWRITER might convey some of the messages that might otherwise be conveyed from the convention platform

Witherspoon Asks Withhold Judgment on Chairman Issue

Entire Question Will Be Discussed in Chicago, He Asserts

President John A. Witherspoon of the National Association of Life Underwriters this week made a brief official statement in regard to the difference of opinion that has arisen over the action of the board of trustees in recommending the employment of James E. Rutherford of Seattle at national headquarters with the new title of chairman of the board of trustees. This appointment is subject to confirmation by the national council at the annual meeting in Chicago next week. The issue was first projected by O. Sam Cummings of Dallas, a past president, who sent out a lengthy message, opposing the change. Then Lester Schriver of Peoria, Ill., another past president, came out in support of Mr. Cummings' stand and this week Charles C. Thompson of Seattle, also a past president, makes public a similar opinion.

The official press release announcing the Rutherford appointment stated in effect that the chairman of the board would hold a position superior to that of president and that has been the point of opposition of the three past presidents who have expressed their views. They take the position that there should be no salaried executive that stands above the elected officers.

Mr. Witherspoon, in his statement, merely asks that judgment be withheld until the entire matter can be discussed at the meeting in Chicago.

"Due to the differences of opinion quite a bit of controversy has been indulged in through the insurance press and otherwise pertaining to the employment of an additional staff member for the National Association of Life Underwriters," Mr. Witherspoon states.

"The officers and the board of trustees and most especially the special committee have given a great deal of thought and work to this problem and I would personally like to express a wish that judgment be withheld until the entire matter can be discussed at our meeting in Chicago.

"It is my belief that all individuals who have expressed themselves and who are leaders in the National association are vitally interested in the welfare of the association and I am confident that the correct solution will be arrived at during our deliberations within the coming week."

and that we would in a way be taking the convention to the members in their offices and homes.

Moreover we recognize that inspira-

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AN ANSWER TO PESSIMISTS DURING THIS PARTICULAR DAY

Men Confused in Abnormal Times

By ABNER THORP

Editor "Diamond Life Bulletins"

One of the most universal of human tendencies is to fear change. As long as things continue to run on an even keel, and as long as we do not have to face any drastically new experiences, most normal people are reasonably optimistic. But, when the process of economic and social revolution is speeded up—as always happens in the case of war—men's minds become confused. They feel like strangers in a strange land. The old landmarks which they have relied upon to give them their bearings seem to have shifted and habitual actions and reactions no longer produce the same results. The automatic machinery of their minds is thrown out of gear, and everything seems awry.

This has always been man's attitude when storms and earthquakes, either physical, mental or spiritual interrupt the even tenor of his daily existence. And this is what is happening today. The entire world is passing through a great social and economic reformation somewhat comparable to the break-up of the feudal system in Europe and the development of national states in which a new so-called "middle class" arose to challenge the authority of the hereditary nobles and the "divine right of kings." A comparable shift is occurring again—a shift of power away from the wealthy and professional classes into the hands of the masses of the common people who everywhere are demanding more and more of the good things of life which in the past were enjoyed only by the favored few.

Processes in Peace Times

In peacetime, however, such deep and widespread movements take place over considerable periods of time like the movement of tides or of glaciers; and under such conditions the minds of the contemporary generation are not too much disturbed. But, when war comes, these evolutionary processes are tremendously speeded up and shifts, which might otherwise extend over a period of fifty or a hundred years, are compressed into a very much shorter span of time. When that happens, the changes are too rapid to permit men to adjust themselves comfortably. Hence, we are witnessing the spread of uncertainty and fear of the unknown, of the new, a fear which especially affects those individuals and classes whose previous authority, or prestige, or wealth, or power are diminished by the change.

Do Not Think Objectively

And so, in the midst of the greatest of all world wars, we see these fears exemplified in the feeling of millions of our countrymen who are not thinking objectively at all, but have simply given themselves up to a strange sort of irrational panic which fails totally to appraise accurately the probable magnitude or character of the changes now occurring. This panic manifests itself in all sorts of gradations, from a mild feeling of insecurity to something amounting almost to hysteria, and has affected our attitude toward everything including life insurance.

The worst of the situation is that many general agents and underwriters have allowed themselves to be infected with this epidemic without making any appropriate efforts to protect themselves against it. They, like their prospects, question their future; the future of the life insurance business; the future value of the dollar; the continuation of our present basic institutions—all of which may be typified by the phrases: "What's the use?"

Hence, if this analysis is correct, it may be well for life insurance men to try to think the situation through in

order to get a clearer and more realistic view of the present and of the probable shape of things to come. We shall try, therefore, to crystallize the prevailing attitudes into a few frequently heard comments such as the following:

1. "Our government is going broke."
2. "Our constantly increasing national debt will inevitably bring on repudiation or inflation, with the consequent devaluation or destruction of fixed-income investments, including life insurance—all of which will result in the ruin of our middle classes like that which took place in Germany after the last war."
3. "Socialism is coming and the government is going to take over control of business, including life insurance."

NATIONAL DEBT

Now, let us try to consider fairly the most serious of the problems involved in such statements. Take first the question of our national debt and the probability of its repudiation in future years.

Naturally, it is impossible to dogmatize about such a subject, since we do not know how long the present war will last nor how much money we shall have to spend to win it. But, for the purpose of the discussion, let us assume that the total national debt of the United States at the end of the war will approximate something like 300 billion dollars. Of course this is an astronomical figure and would necessarily be a tremendously dangerous threat if the following assumptions were also true:

1. That this national debt were owed to foreign peoples;
2. That this national debt would of necessity have to be paid off in order to allow us to enjoy prosperity.

The fact that the national debt is internally held by our own citizens changes the situation entirely from what it would be if this debt were owed to foreign governments and foreign peoples.

England and National Debt

Also, the experience of England during the past 200 years indicates that it is not at all necessary to pay off a national debt in order to insure a high standard of living to the citizens of a debtor country.

In a recently published pamphlet, Dr. Alvin H. Hansen, professor of economics at Harvard, and special economic adviser to the board of governors of the Federal Reserve System, discusses the effects of an internally held debt such as ours, and comes to this conclusion: "A public debt internally held has none of the essential earmarks of the private debt of an individual. A public debt is an instrument of public policy. It is a means to control the magnitude of the national income and, in conjunction with the tax structure, to effect income distribution."

Dr. Hansen insists that such a debt is not the burden on the community which is commonly supposed. The reason is that the funds collected from our people through taxation, in order to meet the interest on the debt, are not lost to us at all; neither are they sent out of the country. On the other hand, these tax funds are paid right back to the bondholders, largely institutions that benefit the community as a whole—institutions such as social security trust funds, savings banks, educational and charitable bodies, life companies and commercial banks.

Taxes to Pay Interest

About 75 percent of our total national debt is held by such institutions and that proportion is likely to prevail even after the war.

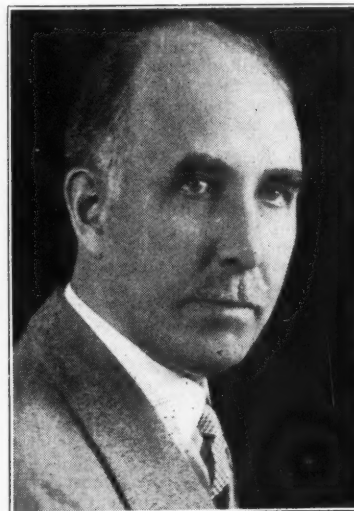
Dr. Hansen admits that the taxes

levied in order to pay the interest on this national debt fall heavier on certain groups.

But, when all is said and done, what is taken away in taxes from these groups is paid out to another group who are the holders of federal bonds. Thus, at its worst, the national debt involves a redistribution of income, reducing the income of the very wealthy and increasing that of other and larger groups.

GREAT BRITAIN

Let us look now at the experience of Great Britain in connection with its national debt. At the end of World War I, Great Britain owed about \$40,000,000,000, representing a theoretical average indebtedness of \$1,000 per capita of her people. At the present time, Britain's national debt is estimated at about \$60,000,000,000, or about \$1,500 per capita. Compare the situation in the United States—and to make the comparison realistic, let us assume that at



ABNER THORP

the close of this war, our national debt will be about \$300,000,000,000. This represents an average per capita debt of about \$2,300.

Yet, as compared with Britain, our national wealth is many times as great as hers both in raw materials and in our capacity to produce. Nevertheless, as far as we can learn, the British are not much worried about their national debt, largely because they have become used to it since the national debt of Britain has not been retired for over 200 years. In other words, they have learned what we shall have to learn: namely, that a large national debt is not necessarily accompanied by repudiation, by inflation, or by a serious lowering of the standard of living. On the other hand, the period of England's greatest prosperity coincided with the growth and maintenance of her national debt, a period in which the standard of living of practically every Briton was greatly improved.

In other words, if the fiscal policy of a government is determined by men of experience and wisdom, it is perfectly possible for her people to improve their status, and at the same time pay the interest on even a large national debt.

Inflation Can Be Controlled

Dr. Hansen contends further that if we can maintain our national income at something like \$100,000,000,000 a year, the problems of inflation and the servicing of our national debt can be easily controlled. He says: "From a hundred billion dollar income we can raise large tax revenues—large enough to service any level of debt likely to be reached

and to cover all other government outlays—and still retain for private expenditures more than we had left in former years under a \$70,000,000,000 income with lower taxes."

It appears, then, that the crux of the problem will be for us to maintain our national production—and hence our national income—at a high level, an accomplishment which, according to many, should not be an extremely difficult job if we utilize our genius for quantity production to supply the enormous world demand for goods which is likely to continue for a long period after the war is over.

Thus, assuming that we are wise enough to elect far-sighted and courageous leaders, it should be possible for government and private business to co-operate in such a way as to maintain a 100 billion dollar national income which will be ample to meet all interest charges and hence to prevent repudiation or dangerous inflation.

Justification for Brighter View

We are consequently justified in stating that it is just as reasonable to take an optimistic view of our future financial situation in the nation as it is to assume pessimistically that "nothing can save us." Furthermore, as a matter of common sense, Charles M. Schwab was not far wrong in his statement that "it never pays to sell the United States short."

There is also another thing we must never forget. These are days that require all the constructive thinking and courageous action which it is possible for us to muster. Worry accomplishes nothing. This is truer today as far as our nation is concerned than it ever was before. What we have got to do is to stop worrying; be as optimistic as realism and clear thinking permit, and then go ahead with the tasks for which we are responsible.

But there is another kind of pessimistic thinking which is rather widespread among our wealthy and conservative classes. This may be summed up in the statement: "Socialism is on the way. Private enterprise is a thing of the past. The government is going to control all business, including all of our great credit reservoirs such as life insurance."

SOCIALISM

Of course, very few of the men who make such statements know what they mean by the word "socialism." They may mean state capitalism, under which system the government exercises primary control of credits; they may mean socialism in the classical sense in which the state possesses ownership and management of all the instrument of production, distribution and exchange; or they may mean merely some liberal form of government in which the rights of individuals and corporations are to a certain extent regulated by the central power. But, whether they accurately define their terms or not, "Socialism" to such people means definitely some extension of federal power and a stricter regulation of business than that which has prevailed in the past.

Well, if that's what they mean, there seems to be no doubt that socialism is "on the way in"—at least for the time being. For it must be a simple man indeed who cannot see the trend toward more and more "interference" in many of our social and economic activities. But, to use a popular phrase: "So what?" In particular, why should the life insurance men be concerned about this? Don't forget that the railroad people were panicky when the old days of cut-throat competition were ended by the creation of the "Inter State Com-

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New York Life Lists Leaders in Its 1942 Top Club Rolls

Irving Freed Becomes President Due to His Outstanding Record

Irving Freed of the Herald Square branch of the New York Life in New York City is the new president of its Top Club. He paid for \$900,000 during the club year. He has been the club's leading vice-president at large for the last two years. I. S. Kibrick, Brockton, Mass., agency assistant for the New England branch at Boston, who has the highest production of all former Top Club presidents with \$578,112, becomes chairman of the advisory board. He is widely known in life insurance circles throughout the country through his addresses at life insurance meetings. George J. Lucas of the South Dakota branch, who has been Top Club vice-president of the mid-west department for the past three years, now becomes the club's leading vice-president at large. He paid for \$805,336. He recently completed 186 consecutive months on the ten-a-month honor roll and 158 months on the \$20,000-a-month honor roll.

Don C. Kite of the West Virginia branch is a vice-president-at-large of the Top Club, his production being \$729,763. He resides at Morgantown, W. Va. The University of West Virginia is located there and he has specialized on alumni of that institution. E. T. Golden of the Golden Gate branch at San Francisco becomes a vice-president-at-large of the Top Club. He paid for \$613,537. Mr. Golden is the author of "Young Man—Here's How to Sell Life Insurance," published in 1941.

Louis K. Sims of the Los Angeles branch paid for \$588,720 and becomes vice-president-at-large. A. T. Trebilcock of the LaSalle street branch in Chicago paid for \$531,848 and becomes a vice-president-at-large. He has completed 154 consecutive months on the ten-a-month honor roll and 156 on the \$20,000-a-month roll. B. C. Woodbury of the Golden Gate branch at San Francisco becomes vice-president of the central Pacific department, producing \$531,455. He is a graduate of Iowa State College.

Harry A. McColl of Pueblo, Colo., is vice-president of the inter-mountain department, having produced \$499,731. He is a graduate of the University of Colorado and a well known resident of Colorado Springs.

W. V. Lurie of the Brooklyn, N. Y., branch becomes vice-president of the Greater New York department with a production of \$481,500.

Theodore Kraemer, Minneapolis branch, is vice-president northwestern department with \$465,218 paid for. He is thus the leading New York Life leading producer of Minnesota.

Charles Anchell, Madison Square branch, New York City, is vice-president of the Greater New York department with \$451,954. He formerly held this position. His father, the late Benjamin Anchell, was a New York Life agent.

S. D. Einstein of the Trenton, N. J., branch becomes vice-president of the Atlantic department with \$438,620. He lives at Vineland, N. J. He is an expert on business insurance.

Theodore Weiss, central branch in Chicago, is vice-president of the central department due to his \$420,208 of production.

Ben Sekt, of the Sioux City, Ia., branch through \$412,971 production of

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Million Dollar Table is Electing By Mail Ballot

In view of the fact that there is to be no regular session of the Million Dollar Round Table this year, Robert P. Burroughs, National Life, Manchester, N. H., the chairman, has arranged for electing new officers by mail ballot. He has named as members of the nominating committee four past chairmen of the round table, they being H. Kennedy Nickell, Connecticut General, Chicago; Henry G. Mosler, an officer in the navy; Paul C. Sanborn of Boston and Jack Lauer of Cincinnati.

Ron Stever, Equitable Society, Pasadena, Cal., is the ranking member of the executive committee and according to precedent would be elected the new chairman.

Mr. Burroughs sent a communication the other day to the members, telling the results of the mail vote on certain questions including whether to hold a meeting this year. An overwhelming majority favored holding no meeting. Another question was whether a part of the \$10 dues should be returned to the members or whether they should be retained and turned over to the new chairmen. The decision was in favor of the latter course.

Mr. Burroughs stated that he has asked Mr. Stever and A. J. Osteimer, III, Northwestern Mutual, Philadelphia, to obtain from various members some of the ideas and plans of operation which have proved most effective for them during the past year in producing outstanding business. They will edit this material in some attractive form for distribution to round table members. He said he has also asked D. B. Maduro of New York, counsel for the New York City Life Underwriters Association, to prepare a message that would include some of the main points that he would

Heads Trust Council



RAY A. DU FOUR

Ray A. DuFour, general agent Pacific Mutual Life in Washington, D. C., has been elected president of the Washington Life Insurance Trust Council.

have brought out if he had addressed a meeting of round table members, regarding business insurance.

Framed certificates will be sent to members in due course and a plaque is being made up for presentation to Mr. Nickell in appreciation of the work that he did as chairman last year.

Mr. Burroughs sent to members the usual questionnaire to elicit certain facts about the million dollar producers and how they operate. They give a composite picture of the top producers.

Tax Deduction for Premiums Seen as Sales Stimulant

Though Limited to Old Insurance, Would Free Cash for New

NEW YORK—Though the suggestion made by President John A. Witherspoon of the National Association of Life Underwriters before the Senate finance committee that an income tax deduction within an aggregate limit be allowed for repayments of old debts, purchases of war bonds and premiums on life insurance applied only to insurance purchased before the present war emergency, life insurance men here feel that enactment of this proposal would act as a stimulant to further sales. Since the deduction would be allowed for insurance already purchased this would make it considerably easier to buy more insurance even though the new coverage were not given the deduction. Furthermore, since the main reason for not asking for a deduction on new life insurance purchased was the existence of a state of war, it seems reasonable to suppose that if the deduction is allowed for pre-war purchases it will, after the war, be applied to all life insurance, new and old.

The sales advantage represented by the National association proposal would be most apparent in the middle-income group of policyholders. The wealthy insurance buyers are not particularly concerned about the income tax on their premiums, since these premiums represent only a small part of their income. This type of buyer is more concerned about the estate tax and even the retention of the \$40,000 specific life insurance exclusion will not help him much.

Because of the heavy estate tax many of the big buyers of the last 10 or 15 years have felt it necessary to drop much of their insurance or convert it to a paid-up basis. A man whose estate reaches up into the 70 percent bracket is in effect throwing away 70 percent of the premium which he pays to maintain the top segment of his insurance in force.

In cases where the policyholder is insurable there has been a good deal of dropping present insurance and rewriting on a wife-ownership basis. Frequently the wife has enough money in her own name to pay for these premiums. This is important, for Treasury decision 5032 makes the question of who paid the premiums the all-important one in determining taxability of new insurance, while the pending tax bill would make it necessary for such insurance not only to be paid for by someone other than the insured but also for the insured not to have any of the incidents of ownership.

In many cases where the wife has not sufficient means of her own to take care of the premiums the husband has set up an irrevocable trust fund with his wife as beneficiary to provide income out of which she meets the premiums. There is no legal or contractual obligation on her to use the money for this purpose but of course that is the understanding. This arrangement is believed to be entirely watertight from a tax point of view, since the money is turned over to the trust fund before purchase of the new life insurance and a gift tax is paid on it if necessary.

F. J. Kinane, Austin, Tex., manager of Lincoln National Life, addressed the Austin Lions Club on "Spiritual Values Must Be Saved."

OUT OF A SLUMP

Halfway through a recent month, one of our Philadelphia underwriters counted up his sales results, and was not happy about the two applications he had to show following two weeks' activities.

He studied the statistics of the effort he had made. On his records he found he had made 39 calls, had seen 26 people, had given 15 sales talks, had made four new calls.

Talking it over with his unit manager, the answer to the problem seemed simple enough: more effort, more results. So he made a bet of publicity. He would promise the unit to make at least six calls a day, if necessary working Saturdays and Sundays to hold that average. At the end of the month he would announce to the unit that he had kept his promise—or that he had not kept it.

The two-weeks' result: he made 63 calls, saw 46 people, gave 22 sales talks, made 14 new calls, acquired 5 new names, and had 6 applications, for \$20,198.

An increase of 60 percent in effort had brought about an increase of 300 percent in results. This experience has taught him, he says, that an investment in more work pays compound interest. He had heard it often enough, but until he tried it he hadn't believed it enough; we don't talk our way out of a slump, we work our way out.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

T. A. Buckner, Retired Head of N. Y. Life, Dies at 77

NEW YORK—Thomas A. Buckner, retired head of New York Life, died Aug. 8 at St. Luke's hospital, New York City, where he underwent an operation two months ago. Mr. Buckner, who was 77 years old, served as president from 1931 to 1936, chairman of the board from 1936 to Jan. 1, 1941, and chairman of the finance committee from that date until Dec. 31, 1941, when he retired from active service, though continuing as a director.

Though he served for nine years as either president or chairman of the board, it was as an agency executive that Mr. Buckner made his great place in the life insurance hall of fame. He was one of the greatest agency men the business has ever known. He was responsible for a number of important contributions to the development of life insurance. Mr. Buckner was instrumental in reorganizing the company's agency system into a branch office setup and in 1896 introduced the "Nylie" system of compensation, a plan which preceded by almost half a century the current wave of retirement plans for agents. Mr. Buckner also originated and popularized the pro-

that it may mean only that he has failed to make his proposition clear.

At 21 the young man decided to devote himself entirely to selling and started out as an agent in Ottumwa, Ia. He obtained \$250,000 of business in his first year, all of it in small policies. That amount of business was the equivalent of at least a half-million nowadays and Agent Buckner became known as an outstanding salesman.

Mr. Buckner's abilities attracted the attention of the late George W. Perkins, then inspector of agencies for the New York Life at Chicago, later vice-president of the company and afterward a partner in J. P. Morgan & Co. In 1890 he was sent by Mr. Perkins to Wichita, Kan., where he was first cashier and later agency director. His unusual talent for selecting and training agents doubled the Kansas business the first year and Mr. Buckner was shortly transferred to Kansas City as agency director for western Missouri and Kansas.

SHIFTED TO CHICAGO

So brilliant was his success in organizing and handling agencies that in 1892 he was appointed inspector of agencies at Chicago for 12 important central states, succeeding Mr. Perkins, who had been elected vice-president. At the age of 33 Mr. Buckner was called to New York as superintendent of agencies in 1898. In 1900 he was elected fourth vice-president, in 1901 a director of the company, and in 1903, at the age of 38, vice-president in full charge of the entire agency force.

At the time of his 60th anniversary with New York Life in 1940, which occurred just five days before the com-

(CONTINUED ON PAGE 24)



THOMAS A. BUCKNER

duction clubs for agents, a plan which has had a wide influence on the entire life insurance business and undoubtedly has contributed a great deal to bringing the country's total of insurance in force to its present level.

Was Frank and Concise

Though a hard worker who showed much resourcefulness and ingenuity Mr. Buckner was not of the human dynamo temperament. Neither on the platform or in business conferences was he the high-powered spellbinder. Rather, he won people over by his frankness and his ability to condense what he had to say. This conciseness was characteristic of his writings as well as his conversation and speeches.

Mr. Buckner started with New York Life as office boy in the Milwaukee office April 7, 1880. At the time of his retirement he had served the company longer than any other employee on the payroll. In spite of the extremely long hours that young Buckner had to spend in his work as office boy he found time to call on friends and acquaintances in Milwaukee to sell them life insurance. The future New York Life president met with plenty of discouragement, finding that everybody had all the insurance they needed. Then an experienced agent went with him to see some of the men who had turned him down and one of the toughest prospects was quickly written for a good sized policy. This experience taught Mr. Buckner that when a salesman gets a refusal he should remember

N. E. Mutual Has Big In-Force Gain

The mid-year report of New England Mutual Life shows a gain of insurance in force of \$28,000,000 as compared with \$24,000,000 in 1941 and \$16,000,000 in 1940. Total terminations from death, surrenders, lapses and maturity were lower than for any similar six months in the past 10 years. Policy surrenders were the lowest in 12 years, indicating an increasing appreciation of the property value, as well as protection value, of a life policy.

Insurance in force July 1 was \$1,687,000,000. Assets are now in excess of \$550,000,000. In new business, there was a 4 percent gain for the first six months, largely due to the large first-of-the-year volume following entrance into the war. This indicates a healthy improvement in average production when it is considered that nearly 15 percent of the agency force of the company is enrolled in the armed forces.

Leading agencies in volume for the first six months were Merle G. Summers, Boston; Hays & Bradstreet, Los Angeles, and Edgar C. Fowler, Chicago. The leading producers were R. W. Brooks, Buffalo; J. H. Atwood, Boston, and W. B. Hardy, Cincinnati.

For the third successive year mortality experience remained at a low level. For the first six months in 1942 and the same period in 1941 it was 45 percent or 10 points below the average of the past 10 years. Circulatory diseases continued to be the leading cause of death. Fatal auto accidents were reduced nearly 50 percent, probably due to restricted use of cars in the east and lower speeds. Fifty casualties as a result of war have, on the other hand, partially offset the salutary effect of fewer fatal auto accidents.

"Why Disability Insurance is a Good Investment for You" cost only \$2 per 100. Order from The National Underwriter.

Death of 100-year Old Policyholder Recalls Touching Story

On July 25, just one week after he had reached the age of 100, John D. McChesney, New England Mutual's oldest policyholder, died at his home in Omaha.

Twice rejected for being "too frail" when he tried to enlist in the Union army during the war between the states, he purchased from New England Mutual in 1870 an ordinary life policy for \$1,000. His was one of those now rare contracts on the 4 percent reserve basis which matured as an endowment at 100. Under its terms he was not permitted to engage in mining, or managing a steam engine, nor could he work on a railroad train. It did not prohibit him from engaging in a duel, but if he had been killed in a duel the contract would have been void. Although he could not work on a train, he was a station agent for a stage coach line which operated "ahead of the railroad" in Indiana and Iowa, probably a more hazardous occupation. He remembered selling Abe Lincoln a stagecoach ticket.

Paid \$875 in Premiums

The total paid by Mr. McChesney on his 72-year-old policy, after deducting dividends, was \$875—or \$125 less than the amount paid his beneficiary upon his death.

"Little did I think in 1870 when I bought that policy for the protection of my bride just what it was destined to mean for both of us," Mr. McChesney once wrote concerning the policy after he had

entered an old peoples' home. "After 47 years in the lumber business in Nebraska, we failed. Everything was gone except that blessed policy. What a situation for a man past 75 with a wife not much younger! I became janitor of a church and stuck to that job until I was 86 years old. But it was a big church and I was down to 96 pounds and failing fast.

Just as Good as Cash

"Mrs. McChesney and I realized we must do something quickly. I thought of your policy and slipped it in my pocket and came before the board of this home. They wanted \$1,000 to let us in and I didn't have it—that is not quite. So I told them about the policy and they said, 'A policy in the New England Mutual is as good as cash.'

"Before we came here we were barely able to keep alive on \$50 a month, so in the seven years we have been here we have received more than \$4,200 worth of living out of that \$1,000 policy, and the home paid the premiums too! Did any two people ever get more than that out of any \$1,000 policy? I can't remember far enough back to the time when your premium was ever over \$10 a year. Do you know of anybody besides us who got their entire living for seven years out of \$10 a year saved for about 60 years? I spent a lifetime successfully in business and made lots of money; but just \$10 a year out of all that money proved our salvation!"

Life Agents Sell Billion Dollars in War Bonds

Great Work Done in Connection with Payroll Deduction

NEW YORK—Sales and pledges of war savings bonds secured by life insurance agents throughout the country passed the billion dollar mark in July, their sales in the less than eight months since Pearl Harbor nearly equalling the total accomplished by the agents in all four loan drives of the first world war, it was announced by John A. Witherspoon, president of the National Association of Life Underwriters.

Summary of the Work

Actual sales pledges reached \$1,026,000,000 on July 31, representing sales to 8,500,000 persons in 46,000 employe groups. The bulk of the sales are made through payroll deduction plans.

"The life underwriters of the nation have exerted every effort to extend the payroll purchase plan for war bonds so that it reaches every family in the country," Mr. Witherspoon said, "and they are still engaged in contacting employe groups which have not as yet set up definite purchase plans and also endeavoring to get those already signed up to increase their purchases."

Chicago Agents Led

Initial contacts have been made with an additional 21,000 firms, beyond the 46,000 signed up, these additional groups having some 4,500,000 employes and purchase plans are being worked out for them.

Chicago agents have led the country in results, with outstanding records also reported from Minneapolis-St. Paul, Des Moines, Philadelphia, Birmingham, Wichita, St. Louis, Los Angeles, Oklahoma City, Cincinnati, Indianapolis and Scranton.

Seek to Bring Mail Order Insurers into Neb. Courts

LINCOLN, NEB.—Insurance Director Frazer has been advised that C. A. Barth, Seward attorney, is preparing a test case to determine whether unlicensed mail order companies and those using the radio for advertising can be brought under court jurisdiction in Nebraska in actions for losses. Complaints have been received from buyers of radio-advertised policies that they have been compelled to accept whatever settlements the companies chose to offer since they were unable to bring them into court. The contention is that in selling their policies in the state and accepting premiums from policyholders they are doing business in the state.

The same point is raised in a case now before the supreme court. The village of Axtell sued Nebraska Hardware Mutual of Lincoln for an occupation tax although the company owns no property there and has no agent. It does, however, have policyholders in the village, and the district court held that this constitutes doing business in the village.

G. C. Caldwell, Peoria, Ill., for the last 10 years an agent of Penn Mutual Life, has been commissioned a first lieutenant in the army air forces. He is taking a special course of instruction at Miami Beach and later will be transferred to the air intelligence school at Harrisburg, Pa.

The Phoenix Mutual Honor Roll

HERE'S A SALUTE TO THE MEMBERS OF THE PHOENIX MUTUAL
FIELD ORGANIZATION WHO AS MEMBERS OF THE ARMED FORCES
ARE SERVING THEIR COUNTRY IN TIME OF NATIONAL EMERGENCY



WILLIAM H. BLACK, *San Francisco*

B. SCOTT BLANTON, Jr., *Charlotte*

WILLIAM A. BOEGER, Jr., *New York Downtown*

ADELBERT BRINK, *Buffalo*

RICHARD S. CARPENTER, *Home Office*

JOHN R. CHAPMAN, *St. Louis*

JACOB F. COLLAR, *Oklahoma*

GEORGE P. COLLINS, *Rutland*

KENNETH E. J. DALY, *New York Uptown*

FRED C. DEVLIN, *Pittsburgh*

CONRAD A. ELVERUM, *Chicago LaSalle*

GEORGE G. FIELD, *Boston*

TOM H. FURSE, *Seattle*

ROY J. GELTZ, *St. Louis*

GEORGE A. GOETTSCHKE, *Chicago LaSalle*

WILLIAM L. HARVEY, *Seattle*

HAROLD A. HAUENSTEIN, *St. Paul*

JESSE N. HILL, *Baltimore*

REINHARD K. HOLLAS, *Houston*

PHILIP A. HOLMES, *New York Battery*

WILLIAM J. HUBER, *New York Lincoln*

WILLIAM W. HUTT, *Home Office*

GERD W. KRAEMER, *Chicago LaSalle*

FREDERICK S. LEE, *Baltimore*

FRANK L. LOGAN, *Chicago LaSalle*

BERNARD S. LYON, *Chicago LaSalle*

WILLIAM D. MACY, III, *Baltimore*

LOUIS B. MARINARO, *Newark*

S. E. MATTINGLY, Jr., *Boston*

JOHN P. McDERMOTT, *New York Lincoln*

THOMAS F. McHUGH, Jr., *Newark*

JOHN A. MICHAELS, *Cincinnati*

RUSSELL Y. MOORE, *Interstate*

THOMAS S. MORSE, *Portland*

FRANK P. MULKY, *Oklahoma*

BERT E. NEILL, *Seattle*

JOHN J. O'MARA, *New York Lincoln*

DUDLEY ONDERDONK, Jr., *Newark*

JOHN J. OUTCALT, *Manager, Baltimore*

GEORGE W. RICE, *Rochester*

MITCHELL M. ROSSER, *Boston*

ARTHUR L. RUDNICK, *New York Lincoln*

ELMER G. SCHLEGEL, Jr., *New Haven*

FRANK P. SHELDON, *Home Office*

ROBERT A. STEPHENS, *Albany*

TREVOR W. SWETT, *Boston*

GEORGE V. TEFFT, *Portland*

JOHN W. TURLEY, Jr., *Home Office*

RAYMOND R. VAN HOUTEN, *Brooklyn*

ROBERT C. VAN VLECK, *Oklahoma*

WILLIAM L. VAN VLECK, *Oklahoma*

JAMES W. WEIR, *Los Angeles*

Ordinary Life Sales Seem Stuck on a Dead Center

By JOHN F. WOHLGEMUTH

War is what Sherman said it was, especially in its effect on those who stand around and watch it. The life insurance men are so busy watching what the war is going to do to them that they forget to write insurance, except the industrial men. An industrial assistant, who is writing so much business that he throws his shoulders back and laughs at the ordinary agents, has only one complaint. "We have to work daytimes, too, now," he said, "so many of our customers are working nights."

The ordinary companies apparently reached a dead center some years ago, from which they have not been able to go either forward or backward. Some figures on national income and ordinary life sales were given by C. O. Fischer, vice-president Massachusetts Mutual. They showed that ordinary sales hung around \$7,000,000,000 a year, while national income rose rather steadily from \$50,000,000,000 a year to \$94,000,000,000 a year. The figures by years were as follows:

	National Income	Total Ordinary Sales
1934.....	\$50,436,000,000	\$7,282,417,000
1935.....	55,808,000,000	7,281,122,000
1936.....	65,144,000,000	7,344,349,000
1937.....	71,436,000,000	7,533,468,000
1938.....	64,418,000,000	6,526,610,000
1939.....	70,674,000,000	6,425,623,000
1940.....	76,035,000,000	6,564,200,000
1941.....	94,500,000,000	*7,319,049,000

*Boosted by War Clause.

It looks as if the ordinary production machinery is geared to about \$7,000,000,000 a year, and nobody is doing much about it.

Some Stirrings Toward Improvement

It must be acknowledged that there are some stirrings toward effective action in improving sales organization. Acknowledgment must also be made of the sound work of the Life Insurance Sales Research Bureau. It has made a truly scientific test of means of selecting salesmen. After many years of intelligent, careful work it has announced its scientific conclusion that a salesman is one who can sell, and you are lucky if you happen to get him.

Learning not to depend on mere selection is a big step in progress. But that is not all the Research Bureau has learned. It has learned that methods of work have a vast influence on results, and that men can be taught how to get results.

The signs of healthy change in the ordinary companies is in the willingness of some to teach and to train men. A few years ago progressive agency leaders were laughing at the ancient process of giving a recruit a rate book, an application and a blessing, and telling him to go out and sell life insurance. These progressives were doing much better than that, they thought. They were not only exercising all sorts of selection, but they were providing their men with educational matter. As a matter of fact, life insurance selling as a whole has not progressed far beyond the rate book and blessing stage. The appearance of progress is due to the fact that the recruit is loaded down with so much stuff to read that he looks as if he were far better equipped, and to the fact that the policies are so vastly better than they used to be.

Aid Must Be Continuous

Today's progressives have learned that an agent will not study by himself. He will not work by himself. He must be guided and controlled. Furthermore, the guidance must be continuous. This is true for all except a few natural self-managers.

This lesson is being ground into the ordinary men by their observation of the

progress of the industrial companies in ordinary volume. Industrial men are accustomed to direction and control. They attend educational meetings at regular periods the year round, no matter how long they have been in the business. Their morale is kept up.

Too Much His Own Master

Ordinary men have not been able to free themselves from the principle that an agent is his own master, who comes and goes as he pleases. The social security law has even brought this independence excessively to the front. But some companies are breaking through, they are establishing continuous courses of training, and they are finding that it pays. Those that started gingerly and fearfully a few years ago in pressing continuous training on their men have shown a constant tendency to adopt it all-out. Perhaps they did well to go slowly. Men do not put up much resistance to methods that force them to make money. It is the demonstration over the course of time that continuous training is profitable to the men that enables the companies to add to their pressure.

Training Service Proves Value

THE NATIONAL UNDERWRITER sees this through its own experience in life insurance training. Its Diamond Life Bulletins, under Abner Thorp, Jr., editor and manager, and his assistant, A. R. Jaqua, looms up without a rival for classified knowledge on life insurance selling problems. A general agency or branch office cannot claim to give full service unless it makes the Diamond Life Bulletins available to its men. But there is a training side also that is demonstrating its value. The "D. L. B. Agents Service" was brought out originally for agents who wanted a personal

Commissioners Talk of Next Convention

The executive committee of the National Association of Insurance Commissioners has not yet decided on the time of the mid-year meeting in New York City. Undoubtedly it will be held at the Pennsylvania Hotel. Superintendent Lloyd of Ohio is chairman. The association officers and members of the committee are now discussing the matter through correspondence.

service, less costly than the "big D.L.B." Such continuous training and stimulation proved its value to individuals, as countless letters demonstrated. Then a few companies took up the idea of supplying the service on favorable terms to their agents, in order to get them to use it. Some companies devised training methods that made the use compulsory, and this is growing rapidly.

Must Help All Agents

The advantage is that it is continuous, coming out monthly, with the freshest ideas that have been developed on life insurance selling. It is the continual freshening up of ideas, the continual stimulation and encouragement, that seems to produce the results. It is utterly different from putting an agent through an intensive training and then dropping him.

Companies that are waking up to the problems of production in the present times, with recruiting checked and many of their old men discouraged, should look into the possibilities of continuous and effective stimulation through continuous education.

Cosimo A. Cutri has been appointed district agent in San Diego of the Harold G. Saul agency of the John Hancock Mutual Life in Los Angeles. He started with Prudential in Erie, Pa., and was transferred to San Diego in 1925.

Claim Payments for Six Months Total \$502,723,000

Living Policyholders Received \$742,946,000 During That Period

Aggregate benefit payments to American families under life insurance policies which became death claims in the first six months of 1942 amounted to \$502,723,000, according to figures compiled by the Institute of Life Insurance. These funds were distributed to the beneficiaries of 567,235 policies. The number of policies which similarly became claims in the first six months of 1941 was 563,080.

Big Living Benefits

Of the total payments, beneficiaries under 144,956 ordinary policies received \$356,164,000 in death benefits, while \$60,397,000 was paid out under 36,920 group certificates and \$86,162,000 under 385,359 industrial policies.

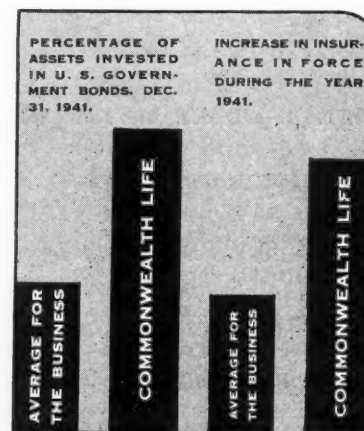
Living policyholders received \$742,946,000 during the first six months, making total payments to policyholders and beneficiaries for the period \$1,245,669,000.

The payments to living policyholders included \$136,945,000 under matured endowments, of which \$95,239,000 represented ordinary endowments and \$41,706,000 industrial endowments. Disability payments amounted to \$49,314,000; annuity payments to \$83,384,000 and dividends to policyholders \$228,651,000.

The amount paid out in surrender values was \$244,652,000, a decline of 19 percent from the like period of 1941.

ABOVE THE AVERAGE In Every Respect

Commonwealth Life's investment account is one of the most liquid in the business today. 80.7% of Commonwealth's securities rate AAA; the highest rating given any security. This exceptionally strong financial condition is one of the selling tools used by the agency force in doubling the average gain in insurance in force made during 1941. Address correspondence to: A. Walton Litz, Manager of Agencies.



The successful agent is the equipped agent

Commonwealth Life

MORTON BOYD, PRESIDENT

HOME OFFICE LOUISVILLE

'Consumers Reports' Assails Family Group 'Bargains'

The July edition of "Consumers' Reports" which is the monthly publication of Consumers Union of New York, contains an article by E. A. Gilbert in which he pays his respects to those mail order insurance organizations that are offering "direct to consumer bargains" in the form of the family group life insurance policy. Gilbert quotes from the advertising of several such concerns and states that to a remarkable degree, the contracts, advertising and promotion conform to a stereotyped pattern. The following claims are common to all: "No agents, no medical examination, \$1 monthly premiums, amazing low cost protection and all members of the family group insured by one policy."

Make Virtue of Legal Necessity

Gilbert states that those who are eligible for insurance from the regular companies can get much sounder protection at a considerably lower cost. If these companies do not use agents it is not necessarily to keep the cost of insurance down. The fact is they cannot use agents to solicit insurance in any state in which they are not licensed to do business and most of them are licensed in one state only. Thus they are attempting to make an economic virtue out of a legal necessity.

According to Gilbert one sharp practice common to all these is their failure to indicate clearly the amount of insurance that the monthly premium of \$1 buys. The promotion always mentions that the maximum insurance benefit is \$1,000 and naturally many readers assume that each member of the family group will be insured for \$1,000. As a matter of fact the coverage applies to the family as a unit and not to the separate members. More than that, none of these policies will ever pay anything like the full \$1,000 as a death claim.

The amount of insurance is less for those who are in the higher age brackets at the time the policy is issued and it decreases for all members of the group with the passage of time. A person might be age 40 when he buys the policy and be issued for \$1,000 but when he reaches age 60 the protection will have decreased to perhaps \$300. The contract is automatically reducing term insurance to age 75. For the individual member at age 75 the policy terminates.

The amount of insurance provided at various ages as listed in these policies represents the gross amount that will be paid when only one individual is insured under the contract. The joker lies in the fact that with each additional member the amount of insurance is correspondingly reduced. The more members the less insurance for each.

Cites Standard Provision

A standard provision for all these contracts is: "The amount of insurance payable upon the death of any of the persons insured hereunder shall be the amount set out in the following table for the attained age nearest birthday at death of such person divided by the number of persons insured hereunder immediately preceding such death."

For instance, if a husband age 40 gets such a policy and lists 10 members of his family he himself will be insured for \$100 for one year only. If he renews the policy each year and dies at the age of 60 there will be paid on account of his death \$30. If he should live to age 70 there would be paid \$10.

"The anti-social character of these policies is not so much their high cost or their doubtful benefit," Gilbert states. "It is rather that they mislead people into believing that they have adequately provided for dependents, when, in fact, they have not."

Elias A. Gilbert, Consumers Union's

consultant on life insurance, is an ardent term-insurance advocate and a vitriolic critic of the life insurance business as generally conducted. He and his brother, Mort Gilbert, wrote "Life Insurance: A Legalized Racket," a book whose sales reached best-seller proportions during the depression. The articles forming the basis of the book first appeared in "The Nation." In addition to acting as Consumers Union's consultant Mr. Gilbert has a regular insurance counsellor business of his own.

Incidentally, Mr. Gilbert has no connection with the Gilbert & Sullivan insurance counsellor organization. The

Gilbert in that concern is David Gilbert, who is also a term-insurance enthusiast.

Consumers Union, which purports to furnish its members with unbiased advice on commodities and services, is a left-wing offshoot of Consumers Research. The two organizations are now bitter rivals.

Guy Reem Now No. 1

The Guy A. Reem agency of State Mutual Life in Detroit has been notified that it leads the company in paid business for July and also for the first seven months of this year.

Many Take Examination of L.O.M.A. Institute

The 1942 examinations of the Life Office Management Association Institute have been taken by 2,547 employees of 131 life insurance companies, the largest number ever to take these examinations. The examinations cover studies that are part of a long range educational program, preparing insurance employees for greater future responsibilities and developing executive material from employe ranks. Each year the interest in these studies increases.

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

34 NASSAU STREET

NEW YORK

HIGHLIGHTS of a "Family Report"

on the operations of the Company in the first half of 1942 recently submitted to the men and women in the Field, the Agency Offices and the Home Office.

- Our field forces paid for more than 86 millions of new life insurance in the first 6 months.
- Policy payments exceeded 56 millions, of which amount, 22 millions represented death benefits.
- The rate of mortality among the Company's policyholders showed a substantial improvement, although this may not be a continuing trend. As in England, the general health of the nation appears to be better under war conditions.
- Assets on June 30 stood at an all-time high for the 99 years that the Company has been doing business. Insurance in force on the same date stood at 3 billions, 568 millions, exclusive of dividend additions.
- Important steps have been taken to develop the Company's full-time field organization; and a new training program for field underwriters is being developed.
- Modern selection methods have been adopted, which are expected to improve the Company's mortality experience over a period of time.
- The Company has entered the field of sub-standard insurance. New policy contracts announced in recent months include the Term to Age 65 Policy, the Double Protection Policy, and the new Juvenile Program, including the 20-Year Endowment.
- A new and more extensive advertising effort has been launched; and publicity programs have been developed, both for the Company and for the individual agencies and their underwriters.
- The Company's sales promotion material has been revised and its field magazine revamped.
- 447 Mutual Life field underwriters and employees are now in the armed forces. But those of us who have not been chosen for military service can be happy in the thought that the business in which we are engaged is doing a vital work on the home front in creating economic security for American families.



1843 1943

IT'S COMING . . . OUR 100TH ANNIVERSARY

Changes in U.S. Tax Bill Threaten Pension Trusts

The effect on pension trusts of certain amendments in the federal tax bill is ably presented in a letter to THE NATIONAL UNDERWRITER by Robert F. Spindell of the Spindell-Millett Service, Chicago. Mr. Spindell, whose firm specializes in tax matters relating to life insurance, comments on a statement in the article, "Wage Ceiling Fear Boosting Sale of Pension Trusts," in the July 31 issue, as follows:

"It is the considered opinion of every person closely connected with pension trust work that the passage of the amendments to Section 23 (p) of the income tax law proposed by the House tax bill will result in the destruction of at least 95 percent of the plans now in existence in this country and will make the pension trust field as dead as the proverbial cat.

Limits Contributions to Five Percent

"The provision to which I refer is the limitation of the deductions by corporations of contributions to employees' trusts to 5 percent of the employees' annual compensation. Contributions in excess of this amount must be spread over a five-year period. You can doubtless appreciate that a contribution of \$150 for an employee age 50 with a \$3,000 a year compensation is not a very great incentive and will not do him very much good upon retirement. It will buy him about \$20 a month for life. If the employee receives a salary of \$6,000 a year or \$500 a month, he can look forward to a retirement income of \$40 a month. It all does not make sense.

"It is highly significant that this proposal was never discussed in the public hearings before the House committee and was not recommended by Randolph Paul. Its authorship is unknown and its inclusion in the House bill was a great surprise to everyone close to the committee.

"Every effort is being taken by those who are interested in the future develop-

ment of pension trusts to eliminate or seriously modify this restriction on contributions to pension or profit-sharing trusts.

"While I am writing this letter, perhaps I should also point out two other restrictions of immense importance:

"1. The first is that discretion is given to the commissioner of internal revenue in determining whether or not a plan will qualify under Section 165; and this discretion may not be appealed to the courts. It is final, unless an arbitrary abuse of discretion is established, and this as a practical matter it is almost impossible to do. The commissioner's approval should not be required.

Bill Makes No Differentiation

"2. Profit-sharing trusts are treated the same as pension trusts, even though in their objectives they are as different as a horse and a cow. I might mention, in passing, that there are ten profit-sharing trusts in which insurance is sold, to one pension trust. Employers are hesitant about incurring fixed obligations for a long time in the future, but they do not mind sharing their profits with the employees and in investing in insurance and annuity contracts. The language employed throughout Section 23 (p) and Section 165 is keyed to the pension trust idea, and ignores the generally understood and clearly defined distinction from profit-sharing trusts.

"I could write at considerable length on this subject, for it is tremendously important to every life underwriter interested in pension and profit-sharing trusts."

Mr. Spindell suggests that no one should be lulled into a false sense of security with respect to the House tax bill. It would be doing a great service to life insurance if agents would bring the gross injustices in the House proposals to the attention of the Senate finance committee, of whom Senator Walter F. George is chairman, he writes.

Thompson Opposes N. A. L. U. Plan for "Glorified Employee"

Charles C. Thompson, Metropolitan Life, Seattle, former president of the National Association of Life Underwriters, has joined the lineup of those opposing the proposal for the employment by the N.A.L.U. of an executive officer with "such powers as make him the actual, as well as the titular head of the association, with more authority than the president, subject only to the control of the board of trustees."

"Let me say that I do not object to the employment of my friend, James E. Rutherford," Mr. Thompson says. "He is a splendid selection and I trust that his services will be secured, without vesting in him the proposed authority.

"The present organization plan was adopted at the convention held in Chicago at the close of my administration as president in 1933. It was my privilege to have some part in the promotion of the plan. The association has made splendid progress since the adoption of our constitution and by-laws and it seems to me that any radical change, such as the one proposed, should be made only after the most thorough country-wide discussion and consideration. I am under the impression that many association leaders throughout the country have had little or no opportunity to consider the change.

"Basically and fundamentally, I am

opposed to giving any man more authority than the duly elected president. In my opinion, such procedure degrades the office of president of the association. I do not believe that Mr. Rutherford, or any other man, would be made more valuable to the association by this unsound attempt to glorify an employee. Mr. Rutherford is now a citizen of Seattle and I have had the pleasure of personally discussing this matter with him. I have advised him as a friend not to accept the position if the proposed amendment is adopted.

"Any man with the capabilities of Mr. Rutherford will not be helped but hindered in his work by the delegation of power, prestige or standing greater than that bestowed by the membership on the national president of the association. After all, real accomplishment is not obtained from power, but from influence.

"The National Association of Life Underwriters, as well as local associations, function best as democratic organizations through elected officials. Dictatorial methods, expressed or implied, will not prove successful."

Flag for Wofford Agency

In honor of the 32 agents, brokers and office personnel who have gone into the armed forces, Manager H. L. Wofford of Prudential in New York City presented to his agency an American flag. It was received on behalf of the service men by A. Palmer Lott, an agent who has just been commissioned a first lieutenant in the army.

Giving Up Typewriters Causes New Problems

Many insurance companies throughout the country have already received forms from the War Department upon which they are required to list typewriters of specified make and vintage. The question is asked, how many machines the office would be willing to sell. In most offices there is no surplus of typewriters and many of the forms have been returned with the notation that all machines are in full use. However, the War Department is following up by telephone calls and personal visits, strongly requesting that the office surrender 20 percent of its machines. Although this is not an order, the request is put in such a way that most offices, it is reported, have agreed to sell certain machines. That necessitates a close readjustment of office procedure in order to turn out the work with fewer machines. Although this causes considerable inconvenience most companies have been able to solve the problem in one way and another.

In one of the first sales made in the Milwaukee area, Northwestern Mutual Life turned over 60 typewriters to the government for use by the war department.

Carl Mayes, leading producer in 1941 for the Harold G. Saul agency of the John Hancock Mutual Life in Los Angeles has been inducted into the army. The agency force tendered him a farewell luncheon.

Thomas Mague, 82, for many years superintendent of Metropolitan Life in Concord, Manchester, and Burlington, Vt., until his retirement recently, died at his home in Burlington.

Colo. Senators for \$40,000 Exemption, Tax Deduction

DENVER—A special committee of the General Agents & Managers Association, headed by J. Stanley Edwards, Aetna Life, past president of the National Association of Life Underwriters, conferred with Senator Johnson of Colorado regarding the retaining of the \$40,000 life insurance estate tax exemption and the possible deduction of life insurance premiums from income tax.

Senator Johnson, a member of the Senate finance committee which will determine the fate of the amendment, said he was very much in favor of retaining the full \$40,000 exemption. He also thinks the average owner of life insurance is entitled to some relief so that, in the face of higher taxes, he will not have to surrender all or part of his insurance.

Favors \$350 Maximum Deduction

Senator Johnson's idea is to allow a deduction of \$35 per \$1,000 of life insurance up to a maximum of \$10,000, making a possible \$350 deduction from income tax.

Mr. Edwards' committee also interviewed Senator Milliken, who likewise expressed opposition to altering the \$40,000 life insurance exemption and as favoring some deduction plan for life insurance premiums.

Favors Income Tax Credit

The directors of the Illinois Chamber of Commerce have adopted a resolution favoring a provision giving credit to income tax payers for life insurance premium payments. The action was announced by L. D. Cavanaugh, president of Federal Life, as chairman of the chamber's insurance division.



Daniel Chester French's stalwart Minute Man is "One Of The Best" reminders that, to speed Victory, it is the duty of patriotic Americans to invest regularly and just as much as they can in U.S. War Savings Bonds and Stamps.

Among insurance companies, Central Life... strong in organization, strong in resources and strong in experience to successfully meet the challenge of these unusual times... is also recognized as "One Of The Best".

CENTRAL LIFE
ASSURANCE SOCIETY
(Mutual)
HOME OFFICE • DES MOINES

Commonwealth Life New Agents Contract Has Novel Features

Commonwealth Life of Louisville announces a new agents contract that incorporates several advanced features and innovations.

The contract provides for three vested 10 percent renewals and a non-vested 2½ percent service fee for the life of the business. But the plan goes much farther than that in an effort to guarantee maximum earnings for deserving agents, profitable persistent business for the company and a minimum of manpower turnover.

Persistency Bonus

A persistency bonus has been incorporated in the contract which is based on quality of business produced, volume of production and years of service with the company. The bonus is calculated at the close of each calendar year and is computed as follows:

The total amount of business paid for under the contract during the calendar year will have subtracted from it double the amount of all business going off the books with less than two full premiums having been paid. The balance remaining is considered as the "basic volume" and the bonus will be paid in accordance with a schedule which increases the bonus in terms of the number of contract years (up to six) that the agent has operated under the contract. An agent producing more than \$250,000 of "basic volume" and operating under the contract for six or more years would receive a bonus per thousand dollars of "basic volume" business of \$10 per thousand for the first \$50, \$11 for the second, \$12 for the third, \$13 for the fourth, \$14 for the fifth and \$15 for all over \$250,000.

A man in his first year under the contract, producing \$250,000 or over of "basic volume" would be paid a bonus in progressive amounts ranging from \$5 to \$10 per thousand.

The plan will result in a complete reallocation of the acquisition cost by liberally compensating the agent who makes money for the company and penalizing the agent who loses money for the company.

An example of how the plan works is outlined by A. Walton Litz, manager of the ordinary department. "Take a man whose annual production was \$200,000 and whose first and second year lapse ratio was 20 percent. His 'basic volume' would be \$200,000 less \$80,000 (double his lapse of \$40,000), or \$120,000. If he was under contract only one year, he would receive \$250 for his first \$50,000 of basic volume, \$300 for his second \$50,000 and \$140 for the remaining \$20,000. The total bonus compensation amounts to \$690. This would be paid to him in monthly installments of \$57.50. If the man had been under contract for six years, he would receive \$500 for the first \$50,000 of basic volume, \$600 for the second \$50,000, and \$280 for the remaining \$20,000. Total bonus accumulations of \$1,380, or \$115 a month for 12 months."

The new contract has been in preparation for the past 18 months.

John Lloyd Issues Warning

Superintendent Lloyd of Ohio has issued a new warning to the residents of his state against purchasing insurance from non-admitted companies. He has distributed the warning widely and it has been extensively publicized. Accompanying the warning is a publication listing all of the insurance companies that are licensed in the state. Insurance buyers, Mr. Lloyd states, should always insist upon buying from a licensed agent or solicitor and they should make sure that the insurance company is licensed in the state.

Mr. Lloyd has prepared a list of unlicensed companies based upon informa-

tion that he has been able to get that have been soliciting business in Ohio and he will furnish this list upon request.

Premium Deduction Favored

MILWAUKEE—Resolutions favoring deductions in federal income tax for a reasonable amount of life insurance premiums were adopted by the six-state regional conference of state chamber of commerce representatives here. The conference discussed the new federal tax proposals and adopted proposals which were forwarded to the Associated State Chambers of Commerce meeting in Chicago with recommendations for the senate finance committee. Wisconsin, Illinois, Indiana, Ohio, North and South Dakota were represented.

New Franklin Millionaires

Four more Franklin Life representatives now have a million or more of business in force and became members of the Franklin's Millionaires' Club. They are Knox Wyatt of Georgia, who some years ago took over the agency of his father, E. H. Wyatt; W. A. Peschka, general agent at Great Bend, Kan.; S. J. Stone, general agent at Peoria, Ill., and A. L. Weir, general agent at Fort Worth.

Vivid Illustrations Can Be Employed with Great Effect

Nearly every life insurance salesman, especially if he has been in the business for a number of years, has a vivid illustration showing the value of protection in some form or other. If he can cite some experience of his own in which he has been brought face to face with stern realities and has seen the working of life insurance in its highest form, he can talk with great enthusiasm.

For instance, a few years ago a life insurance man in Texas took a friend to a football game at Austin, Tex., where the University of Texas was one of the contenders. Between the halves a number of University of Texas students marched to the middle of the field and there in white suits made the letter "T." The life insurance man was greatly moved. He was emotionally aroused. He turned to his friend and said:

"You know I am almost brought to tears by the sight of those boys forming the college letter. There is a boy in that company who would not have

been there had I not sold an educational life insurance policy in his behalf to his father. His father died just as the boy was entering college. If he had not had the educational policy he could not have taken the course. However, the policy will supply the funds for his entire four years. If I never accomplish anything else I shall always have an upsurge of sentiment whenever I think of this case."

Minn. Assessment Men Warned

ST. PAUL—Officials of a number of Minnesota assessment life associations are employing actuaries in an effort to put their affairs on a basis that will be acceptable to the Minnesota department. They have been given to understand that if they do not "put their house in order" the state will be forced to take some action. There now are about 30 of them operating in Minnesota, only a few of which come up to the standard sought by the department.

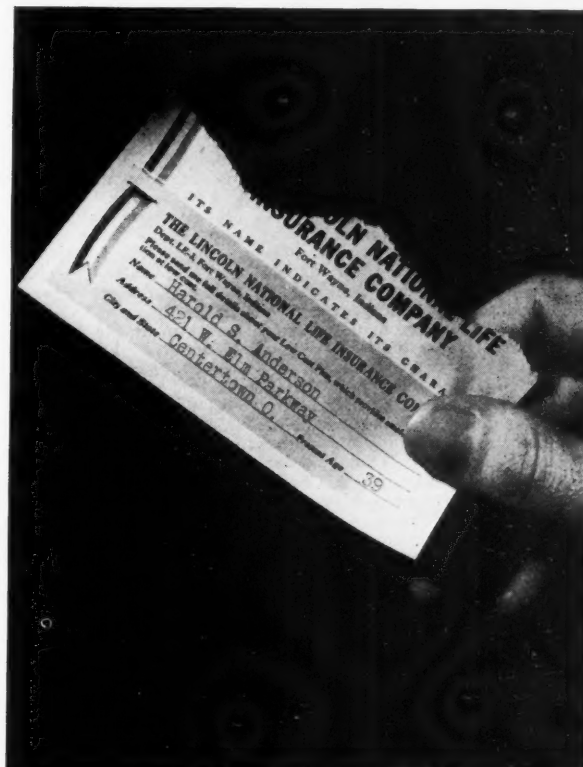
Henry Drouet, 65, for the last 20 years connected with the Prosser & Homans agency of Equitable Society in New York, died at New York hospital. He had been group supervisor for the last five years but continued to write a large volume of personal business.

"What Is This Coupon Lead Worth?"

Since the above lead is an LNL magazine advertising lead, it is worth \$11.48 in first year commissions to an LNL man. It is also worth: Introductions to new groups of people, several referred prospects, follow-up

business in later years, and added prestige for the salesman in his community.

The sales horizons of LNL men are constantly widened by a steady flow of quality leads from national magazines, direct mail, and policyholders.



THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

Fort Wayne

Indiana

Geared To Help Its Fieldmen



Club Awards Made by Great National to the Top Men

DALLAS—Production leaders of the Great National Life of Dallas have been recognized for their selling efficiency and performance of the past year with the presentation to them by President S. J. Hay of the awards of the President's and Leaders Clubs. The usual annual



S. J. HAY

week's convention of the agents' clubs was called off this year.

John A. Monroe, Jr., member of the Dallas agency for more than 10 years, was presented the production trophy as the 1941 sales leader. He has also been given the efficiency award for having done the best all-round selling job among the personal producers in metropolitan areas, and a three-diamond lapel button for having more than 1,500,000 of insurance in force.

Jack K. Bell, Gainesville, Tex., and A. Frank Hill, at Pampa, Tex., are co-winners of the regional efficiency award for agents doing the best selling job in other than metropolitan areas.

G. C. McIlheran, manager at Corpus Christi, has been presented with a diamond-studded lapel button for having more than \$1,000,000 of life insurance in force. He has been elected president of the President's and Leaders Clubs for the coming year. He has been with the company for 13 years and was named manager at Corpus Christi a year and a half ago.

E. O. Bethke, San Marcos, Tex., and K. D. Moore, Lubbock, Tex., have been awarded bronze lapel buttons for a qualified amount of life insurance in force.

Get Florida East Coast Bonds

NEW YORK—Four institutions, including the Metropolitan Life and Northwestern Mutual Life, have accepted the offer of the A. duPont estate to acquire \$3,000,000 principal amount of Florida East Coast Railway bonds at 16½%. The life companies are members of a bondholders protective committee which was established to act as depository for the bonds and accepted the duPont estate offer made through its Florida National Building Co. on condition that the same offer be made to all bondholders depositing with the committee. The estate has acquired working control of the railroad property and its offer was contingent upon acquisition of one-half of the institutions' holdings.

Advertisers Cancel Meeting

The Life Advertisers Association, which had set its annual convention at the Edgewater Beach Hotel, Chicago, Sept. 14-16, has called it off. A. Scott Anderson of Equitable Life of Iowa is president.

B. J. Perry Is Presented With Management Award in Absentia

Bertrand J. Perry, president of Massachusetts Mutual Life, who was awarded the fellowship of the National Office Management Association, was unable to attend the association's annual meeting in Atlanta and hence received the honor in absentia. However, a handsome leather bound hand lettered award of the fellowship has now been presented to Mr. Perry.

Among various things in which Mr. Perry and Massachusetts Mutual have pioneered, as noted by Secretary Samuel J. Johnson of Massachusetts Mutual, are the substitution of record card files for the old type of bound books. In doing so Mr. Perry made a complete study for a source of supply for a card stock that would endure for 20, 40 or even 50 years. He went direct to the paper mills and secured a card stock that is now in common use by most companies.

Mr. Perry introduced the addressograph system of writing premium notices and receipts. Prior to that the work was done by typewriter. Another innovation was the photostat copying rather than by hand, including the copying of applications, miscellaneous papers and the photographing of home office history cards for use in making calculations in the various home office departments. Mr. Perry organized the so-called "House of Commons," which is a gathering of the heads of the various home office departments for discussion of improvements in work and exchange of ideas. Mr. Perry pioneered work in connection with the new home office building. He conceived the idea of having large open rooms without partitions and without posts or columns. The Massachusetts Mutual Life home office building is believed to be the first to use steel trim in large quantities. Steel desks and steel files are used exclusively.

Mr. Perry was present at the founding of the Life Office Management Association at the home office of Lincoln National in Fort Wayne in 1924. He served as president of the association for one year and as a director for several years.

Denman Heads Big Tree Club of Pacific Mutual

Pacific Mutual Life Big Tree Club membership has just been announced. President of the club is R. Earl Denman of the J. M. Gantz agency, Cincinnati; vice-presidents (in order of their standing), V. M. Sieving, Chicago; R. J. Moraff, Paterson, N. J.; Dave J. Cohn, Miami, Fla., and A. L. Geller, Houston, Tex.

Other Top Star members are: C. P. Hochstadter, Cincinnati; Milton Fischer, San Antonio; M. F. Bradley, Merced, Cal., and Mrs. Hilda J. Meade, Cincinnati.

The Gantz agency has the largest representation. Mrs. Meade qualified on her production in 1941, under the club rules. The leading woman producer through July 15, 1942, was Miss Charity Kennedy of the E. T. Bonham agency, Indianapolis.

Leading in accident and sickness production was Roy F. Alexander, Pendleton, Ore. Leaders in number of applications were Mr. Geller with 328 and Mr. Alexander with 319.

Augments Direct Mail Plan

Massachusetts Mutual has augmented its direct mail advertising service by getting out 19 new letters. The service now includes 44 letters and 22 printed pieces. The direct mail service was started in May, 1933, and through June of this year agents have sold \$142,744,000 of business to prospects cultivated with the help of direct mail. Agency Assistant Seneca M. Gamble is in direct charge of this service under the leadership of Vice-president Joseph C. Behan.

Companies' U. S. Bond Investments

	U. S. Bonds Owned June 30, 1942	Inc. in U. S. Bonds Owned Since Dec. 31, 1941
Cent. Life, Ill.	\$ 680,500	\$ 186,500
Country Life	4,275,171	361,671
Federal L. & C.	404,557	29,729
Illinois Bkrs.	1,983,000	410,000
Life & Casualty	666,250	321,250
Metropolitan	1,369,896,525	241,028,375
Missouri Ins. Co.	218,300	43,700
Monumental Life	20,278,000	1,850,000
Old Rep. Credit	220,000	29,000
Penn Mutual Life	185,693,977	14,289,025
Phila. Life	402,500	377,500
Reliance Mut., Ill.	524,410	154,631
Southland Life	94,632	25,800
United States Life	6,493,314	3,315,293
	898,000	346,000
FRATERNALS		
Aid Assn. for Lutherans	356,650	213,200
W. O. W., Colo.	699,160	349,580
Wom's Ben. Assn.	2,650,000	1,450,000

Texas Companies in Radio Quiz

Teams of four employees from Republic National of Dallas and State Reserve of Fort Worth were matched in friendly competition on the popular radio program, "Quiz of Two Cities." The State Reserve team won.

Agents Compensation Studies Made by Indiana University

The School of Business, Indiana University, Bloomington, Ind., has issued in booklet form, Study No. 26 in its series of business studies, this being "Compensation of Life Insurance Agents" by J. E. Hedges and L. P. Henslee. There are four chapters, first, the character and adequacy of service, second, the weaknesses in the distributive system, next, the problem of reform and under that are discussed proposed remedies for the problem of agent's compensation and principles which a proper compensation plan must follow. No. 4 is new and proposed compensation plans in which are discussed the traditional agency commission system, the National Association of Life Underwriters plan, the Arnold system and the Equitable of Iowa plan. No. 5 is "Principles of a Model Compensation Plan."

Acheson E. Lucey, advertising manager of United States Life has been commissioned lieutenant, senior grade, in the naval reserve. He will report for duty early next week and will be assigned to an intensive study course at Columbia University.



WE'RE IN GOOD COMPANY

So popular, so practical is Minnesota Mutual's Payroll Deduction Plan, that Uncle Sam now employs payroll deductions for selling War Bonds.

All workers, including the ever-mounting numbers of men and women in war industries, are therefore doubly receptive to this convenient means of purchasing family life insurance at low monthly rates. Remember, Minnesota Mutual's automatic Payroll Deduction Plan requires practically no work or expense on the part of the employer. In the light of present needs and circumstances it is an indispensable part of today's sales equipment. May we send you the complete details?

A Quarter Billion Dollar Mutual Company, 62 years old, with an understanding, cooperative Home Office.

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul, Minnesota

Committees of N. Y. City Association Appointed

NEW YORK—Lester Einstein, general agent Mutual Benefit Life, president New York City Life Underwriters Association, has appointed the following committee chairman:

Under Mr. Einstein: Planning committee, Benjamin Alk, Penn Mutual.

Under Diederich H. Ward, administrative vice-president: Admissions, Joseph Pellicane, Massachusetts Mutual; business ethics, James Elton Bragg, Guardian Life; constitution and by-laws, J. Fred Speer, Equitable Society; cooperation with general insurance brokers, Harry C. Ard, Connecticut General; cooperation with women underwriters, Bertha M. Loheed, Fidelity Mutual; law and legislation, Samuel D. Rosan, Union Central; reception, Timothy W. Foley, State Mutual; cooperation with life companies, Osborne Bethea, Penn Mutual; cooperation with life managers, Clifford L. McMillen, Northwestern Mutual; supervisors, Robert Lahm, Home Life.

Under George P. Shoemaker: Cooperation with attorneys, Benjamin Alk, Penn Mutual; cooperation with chambers of commerce and other associations, William C. Smerling, Berkshire; cooperation with trust companies, Edwin H. White, Aetna Life; consumers course, Harper R. Dowell, New England Mutual; war bonds, John M. Fraser, Connecticut Mutual; publicity, Elias Klein, Travelers; soldiers service bureau, H. King, New England Mutual.

Under Edward L. Reiley, educational vice-president: Library, Louise Maier, John Hancock; training course, N. Sloane, Prudential; bulletin, A. Loewenheim, Mutual Benefit Life.

Under Treasurer K. A. Luther: Membership, Percy A. Peyser, Manhattan Life.

West Coast Life Club Membership Sets Record

Fifty-one agents of West Coast Life qualified for the Leading Producers Club in the year ended June 30. This is the largest number the company ever has had.

H. E. Noekel, Honolulu, is president; C. R. Fuller, Tacoma, first vice-president; J. R. Eichelberger, El Paso, second vice-president, and V. J. Andreatta, Sacramento, third vice-president. All received bonuses in lieu of a convention this year.

There were 36 who qualified for the Century Club and each received \$100; 12 received \$200 each, two received \$300, and one a \$400 bonus. A renewal record of 70 percent is a requirement for club membership. Three members had perfect renewal scores of 100 percent and most of the others had 90 percent or higher.

In a contest designed primarily to stimulate interest in war bonds, bonds and stamps totaling \$781 were awarded a group of producers who met or exceeded quotas. Major award went to L. L. Laigo, San Francisco, a \$50 war bond and \$25.50 in stamps. Alan Wolford of Sacramento wrote 33 applications in the contest period and received a \$50 bond and \$21.50 in stamps. Manager W. L. Hardy, San Francisco, and Frank D. Creedon, Honolulu, each received \$50 bonds for qualifying the most agents and producing the highest percentage of quota. The total contest production was more than \$2,433,000.

Would Extend Qualification Law

Commissioner Gontum of Maryland has proposed that a bill be presented to the next legislature extending the agents' qualification act that is now applicable in the fire and casualty field, to life insurance.

Walter J. Stoessel, Los Angeles general agent of National Life of Vermont, has been appointed a member of the office wage board of the California industrial welfare commission, as a representative of the employers group.

480 Weeks



CHARLES B. H. LOVENTHAL

Charles B. H. Loventhal, head of Loventhal Bros. of Nashville, Tenn., is not only well known in the fire and casualty insurance field but is a successful life insurance producer for the Northwestern Mutual Life. He has written at least an application a week as of Aug. 1 for 480 weeks. Tennessee, Georgia, North Carolina and Virginia are holding a contest ending Sept. 1, and he is leading the Tennessee agents so far. The three leaders in each of the four states mentioned are to be entertained by their respective general agents at Roaring Gap, N. C., over the Labor Day week-end.

His son, Samuel C. Loventhal, who is a partner in the agency and who has been in military training for the last seven months, has gone to the officers training school at Miami, Fla. S. C. wrote \$274,527 for the Northwestern Mutual Life for the seven months prior to his entering service. He received his Chartered Life Underwriter degree in Cincinnati in September, 1941.

Lorry Jacobs Speaks in Austin

Life agents in Texas will be used as the nucleus of an extensive speaking campaign to bring to the people the importance of civilian defense and various phases of the war effort, Lorry Jacobs formerly of the Southland Life home office, counsel for public advice of the regional OCD office, told the Austin Association of Life Underwriters at its monthly luncheon meeting. Joseph Woodward, vice-president and agency director of Southland Life, said the message of life insurance is the same as it was 20 years ago, and it will not change in the next 20 years. In war as in peace men need to provide the essentials of life, such as food, shelter, and clothing. Death among civilians does not take a vacation while soldiers are being slaughtered on the battlefields. He urged the agents to stop "fighting the war" and acting as military strategists and to sell life insurance.

Union Central Ceremonies

CINCINNATI—Approximately 1,000 Union Central employees attended the presentation of the Minute Man flag denoting 100 percent participation in the purchase of war bonds by the home office staff, at a celebration in front of the home office. The presentation was made by Guy D. Randolph, general agent New England Mutual and chairman of the payroll allotment committee for Cincinnati, who expressed the greetings of the Treasury Department and complimented Claude N. Lowther, chairman of the Union Central War Activities Association, who received the flag for the employees. Mr. Lowther announced that some \$9,500 of bonds were purchased by employees in July.

Following the presentation, Russell

Wilson, former mayor of Cincinnati and a Union Central director, presented a 136-star service flag in honor of the home office men now in the armed services. This was received for the employees and the company by Vice-President Richard S. Rust, who acted as chairman of the entire meeting.

Complaints on Match "Ads"

DES MOINES—Complaints have been received by the Iowa department on match-cover advertising by Service Life of Omaha, which is not licensed in this state. The match covers contain an application for insurance, offering for 3 cents a day a policy providing \$500 for natural death, \$1,000 for accidental death and \$1,500 for death in an auto accident.

Walter N. and D. R. Wray, father and son, both well known as representatives of the L. C. Mersfelder Agency, Kansas City Life, in Oklahoma, left the same day recently, to enter armed force service. The father was commissioned a first lieutenant at Fort Oglethorpe, Ga. P. R. Wray had received his commission as ensign and reported at Great Lakes Naval Training Station. Mrs. D. R. Wray has also been a representative of the Oklahoma agency.

Agency Building Awards Are Announced by Home Life of New York

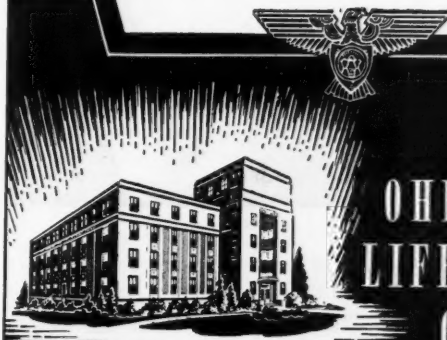
Home Life of New York announced the second quarter's awards for agency building progress thus far in 1942. Winning general agents are Leo Minuskin, Paterson, N. J.; Warren H. Preble, Boston; Otis M. Barry, Jackson, Miss., and V. W. Holleman, Washington, D. C.

The award which recognizes the best persistency record was won by Mr. Minuskin's agency. The Preble agency had the best record of adding new representatives during the second quarter, and the Barry agency had the greatest proportion of men paying for a minimum quota of business. The Washington agency earned its national recognition for the best record of consistent production from the agency as a whole.

George A. White, who on Aug. 24 will become president of State Mutual Life, succeeding Chandler Bullock, was honored at a dinner given by officers and employees of the Worcester County Trust Co., from which he resigned as president to take his new position.



"The Friendly Company"



THE
OHIO NATIONAL
LIFE INSURANCE
COMPANY

CINCINNATI, OHIO T. W. APPLEBY, President

James E. Rutherford Honored at Luncheon in Seattle

At Seattle luncheon honoring James E. Rutherford, former Penn Mutual general agent, who has been named chairman of the board of trustees of the N.A.L.U.:

Donovan F. Moore, Union Central, president Washington State Association of Life Underwriters; C. C. Thompson, Metropolitan Life, past president N.A.L.U.; Commissioner Sullivan of Washington, Mr. Rutherford, Paul Cressman, president Seattle association, and Lt. Commander C. J. Frisbie, former general agent New England Mutual.



Convention Dates

Aug. 17-19, National Association of Life Underwriters, Chicago, Edgewater Beach Hotel.

August 24-26, Insurance Section, American Bar Association, Detroit, Hotel Statler.

Sept. 14-15, International Claim Association, Chicago, Edgewater Beach Hotel.

Sept. 28-Oct. 1, National Fraternal Congress, Chicago, Morrison Hotel.

Oct. 5-8, American Life Convention, Chicago, Edgewater Beach Hotel.

Oct. 15-16, Institute of Home Office Underwriters, Cincinnati, Hotel Gibson.

Oct. 19-21, Actuarial Society of America and American Institute of Actuaries, Royal York Hotel, Toronto.

Oct. 24, Illinois State Association of Life Underwriters mid-year meeting, Peoria.

Union Central Gets Data on Insured in Service

Union Central Life has addressed a form to its policyholders to be returned to the company by those that are presently in the military or naval service or that know the exact date on which they will enter such service. Information requested is policy number, name of insured, date of birth, date of entry into military service and permanent address at which company communications will receive attention.

This form when completed will be filed on the policy file at the home office so that the company will know with whom the assured desires it to communicate regarding his life insurance matters while he is in the armed services.

To those who send in the form will be sent a booklet containing information on how the war affects the status of various Union Central policies, information about the soldiers and sailors' civil relief act as it applies to insurance, the government allotment plan, a power of attorney and other information to enable the policyholder to keep his insurance in force while he is in the service.

Buy "Tap" Issue in Hartford

HARTFORD—The local insurance companies are participating heavily in subscriptions for the Treasury "tap" issue of 2½ percent bonds, offered for an indefinite period.

The Aetna Life companies have made what is believed to be the biggest purchase yet in New England, subscribing for \$17,000,000 of this issue. Also subscribing on a generous scale is Phoenix Mutual Life, whose \$7,000,000 is the largest single subscription ever made by this company.

Increase your accident sales with ideas from the Accident & Health Review, \$2 a year, 175 W. Jackson Blvd., Chicago.

GENERAL AGENCY OPPORTUNITY IN THE PACIFIC NORTHWEST

One of the upper bracket, New York Standard Companies has a general agency opening in an old established agency in the Pacific Northwest. Collection fees on substantial volume of good business in force. Liberal expense allowance. A real opportunity for the right man. Must be a producer of proven ability, with qualifications for management. State full history and insurance record. Box Q-32, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Simpson's Branch Shows Fine Premium Record for Dominion Life

F. W. Simpson, manager of the Detroit branch of the Dominion Life of Canada, won the prize for the club year just closed for the largest premium income. Nine agents qualified, six of whom were in the "Gold section" representing the company's largest producers. The Detroit office has made a commendable record in premium income for some years. Moe Leiter of Detroit is vice-president of the Hilliard Club, the honor organization, being the second largest producer in the company. Others qualifying from the Detroit branch were Edward Krause, T. S. Malone, A. M. Dusty, H. Rosenthal, A. Fellman and R. M. Fargo.

American Reserve Life Leading Producer Honored

OMAHA—Paul H. Graham, outstanding producer of American Reserve Life, was the guest of honor at a luncheon given by R. F. Low, president. The occasion marked Mr. Graham's sixth anniversary with the American Reserve. All home office officials, including H. R. Hutchinson, executive vice-president,



PAUL H. GRAHAM

and W. B. Lehmkuhl, secretary, were present.

Mr. Lehmkuhl commented on the remarkable record made by Mr. Graham during these years. Total number of applications written during the six years was 3,582 for \$6,208,000.

During July, "President's Month," Mr. Graham produced \$149,500.

"Why Disability Insurance is a Good Investment for You" cost only \$2 per 100. Order from The National Underwriter.

Work Out Standards of Reinsurance in New York

NEW YORK—The New York department is now in process of working out the standards which it will apply in determining whether life companies ceding reinsurance to a non-admitted reinsurer can take credit for the reserves on this business in their annual statements. An amendment enacted this year states that "notwithstanding any other provision of this chapter the superintendent may by official regulation prescribe conditions under which a ceding insurer may be allowed to take credit as an admitted asset or as a deduction from loss and unearned premium reserves for reinsurance recoverable from an insurer not authorized in this state but which presents satisfactory evidence that it meets the applicable standards of solvency required in this state."

Line 6 on the liabilities page of the annual statement reads, "Deduct net

value of risks of this company reinsured in other solvent companies." The New York department has always construed "solvent" to mean only companies licensed in New York.

Conceivably the department's definition of solvency might be so restrictive that no company could meet it unless it operated on a basis that would entitle it to be licensed in New York. On the other hand, the department might possibly be guided by its attitude in the case of title companies which guarantee titles on mortgages taken by life companies. Life company loans, in order to be acceptable to the department, must provide evidence in the form of a title policy to show that the borrower owns the property. The title company need not be licensed in New York but need only produce a certificate of solvency from the insurance department of its state of domicile.

Study "Marketing Life Insurance" by Dr. J. Owen Stalson. \$6. Order from National Underwriter.

82 YEARS OF SERVICE

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA NEW YORK CITY



A MUTUAL COMPANY ESTABLISHED 1860

Must Meet Today's Demands

Life Insurance Should Keep in Close Step with the Present Conditions

There are many in the life insurance business, both in the office and field, who are slow to adjust themselves to the tremendous changes that have occurred in the financial setup of the average man since Dec. 7. Events of the past eight months have affected nearly every person, and certainly every business. Life insurance has already been affected, and the march of world events will influence its operations even more between now and the end of the year. "Business as usual" is simply non-existent so far as life insurance is concerned.

Life insurance is not going on as usual and shouldn't expect to. On every hand, there is the spectacle of old, established institutions going out of business, converting to war work, retiring from business because of inability to obtain materials and in a dozen other ways re-vamping their entire business procedure in order to survive. With such marked changes occurring to all other businesses, why should not the life insurance industry expect to be seriously affected by the world upheaval?

Defeatist Attitude

Instead, there are still too many in the life insurance business who are inclined to feel sorry for themselves. They are complaining that war enlistments have depleted their agency organizations and made recruiting difficult. They describe the disinclination of the average prospect to buy, and tell how much more difficult it is in every way to conduct a company or an agency today than it was prior to Dec. 7. This is what is referred to by the psychologist as the "defeatist attitude."

Anyone who is harboring such ideas these days needs to have his thinking straightened out for him. In the first place, he should start by understanding that the life insurance business, like every other business, has been definitely affected by the war and will be even more so as time goes on. This is inevitable and is happening to everyone in every business. Life insurance is not a thing special and apart from the ordinary flow of trade and commerce. It is tied up to and affected by all other business. The life insurance man who is trying to get a clear picture of the situation today must realize that especially the selling end of life insurance is not the same as it was. It is, to be quite frank about it, more difficult than formerly. Nothing is accomplished by lamenting or regretting this. It is simply a fact that has to be faced.

Case of the Average Man

A life underwriter has only to consider the case of the average man. He is paying higher income taxes. Next year they are going to be even higher. His personal property taxes have risen. Real estate taxes are up. Every patriotic citizen is buying war bonds to the limit of his ability, and by this time next year may be having 10 percent of his salary collected at the source by the government for the purpose of buying war bonds. Prices of everything that the average man purchases have risen, and it is plain that they will increase farther. It should be conceded that all of this gives the average prospect a natural feeling of hesitation when it comes to the purchase of life insurance. He feels that he has less money than ever before with which to buy life insurance, because life insurance is ordinarily purchased out of surplus money, money that is not actually needed for the necessities of life.

This is not an overdrawn or exaggerated description of the situation with the average prospect, and yet at this late date, agents are trying to sell prospects income policies, endowment contracts of every kind, and various other high priced

policies with an investment angle that had a ready enough sale in normal times, but which are unsuited to the situation of most men today.

Low Net Cost Insurance

Any company which is not featuring and any agent who is not selling some form of low cost life insurance is simply out of touch with today's life insurance buying market. Many companies have put out policies that are some sort of combination of ordinary life and term, giving them such names as "economic protector." Others have issued policies providing double insurance to age 60 or 65. Still others are offering contracts providing for a reduction in the face of the policy at a stipulated age and a still further reduction later on with a continuance of the same premium. These are the policies for which a demand may be created, and they are the policies that eventually all life insurance men will be pretty much forced to sell. Companies which expect their agents to sell endowment, limited payment and even an unusual amount of any kind of so-called investment policies are simply refusing to recognize what has happened and what may be sold to a majority of the prospects encountered today.

Priced to Meet the Demand

It is still possible, of course, to sell life insurance, but it is certainly not wise to try to sell it in the same way and with the same policy forms as were being offered before Dec. 7. The same reasons for buying life insurance still exist, and with prices as high as they are, taxes increasing and all costs of living mounting almost weekly, life insurance is more necessary than ever before, but it must be priced to fit today's pocketbook and today's conditions. To the life insurance business this means that if volume is to be maintained, agents must be trained to sell the lower priced policies, and must be made to understand that the market for the higher priced policies has nearly evaporated at this particular juncture.

New Paper in New Orleans

NEW ORLEANS—The "Southern Insurer," a new insurance paper, made its appearance in New Orleans last week. The masthead carries the name of Louis Phillips as editor and manager. Except for the name, it is similar in appearance to the "American Insurer," of which Mr. Phillips is also president and editor. The July edition of the "American Insurer," now in its 59th year, has not appeared, and apparently has been quietly discontinued. The "Southern Insurer" contains no salutation, nor did the June number of the "American Insurer" contain a swan song.

The principal stockholders of "American Insurer" are Louis Phillips and Robert A. Hopkins, Mr. Phillips holding a majority. Mr. Hopkins stated that as a stockholder he had received no notice of intent to liquidate the "American Insurer." Mr. Hopkins resigned from the paper last September and has litigation pending against it, in which he asks \$561 for accrued salary.

Life Men on Short Course Faculty

Among the members of the faculty of the second annual short course in life underwriting being held at the University of Kansas, Lawrence, are eight Kansas City life men: E. A. Hasek, general agent National Life of Vermont; H. M. Swarthout, manager Bankers Life of Iowa; L. B. Fink, assistant manager Equitable Society; P. B. Turner, general agent Home of New York; Wayne Clover, general agent Penn Mutual; J. W. Savler, assistant vice-president Business Men's Assurance; D. R. Alderman, vice-president Kansas City

Life, and T. G. Scanlon, agency organizer of Mutual Life of New York.

The course is sponsored by the National Association of Life Underwriters and the university and is endorsed by the Missouri, Kansas, Nebraska and Oklahoma associations.

Issue First New Juvenile Form

NEW YORK—The first Mutual Life juvenile 20-year endowment policy has been issued on the life of Steven Frederick Haas, the new son of Supervising Assistant B. A. Haas in the W. H. Kee agency, Brooklyn. Master Haas received a personal letter from J. Roger Hull, vice-president and manager of agencies, congratulating him on being the first Mutual Life juvenile endowment policyholder.

Leaders May Visit Home Office

Central Life of Iowa, which cancelled the trip scheduled for its top agents in connection with the convention of the National Association of Life Underwriters, probably will invite the same agents to Des Moines later this fall. Qualification requires \$100,000 paid business and 75 percent persistency ratio. The trip is contingent on the health of

President E. H. Mulock, who has been seriously ill but is expected to leave the hospital shortly.

The company cancelled its agents' convention this year but is going ahead with plans for a 1943 convention in case present conditions change. It has set up qualifications, with even June 24-27 as dates for the meeting. It concedes that "it is doubtful a convention can be held; however, we can have a goal to work toward."

Set Notable Persistency Record

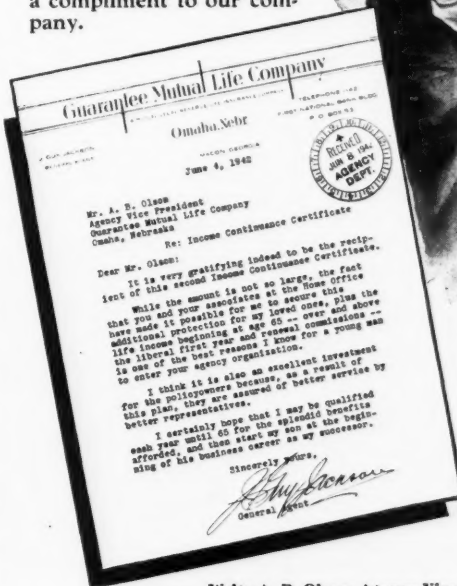
Eight agents of Central Life of Des Moines have set an outstanding persistency record with 100 percent renewals on business written the first four months of last year.

The agents who renewed all of their policies during the period, with a minimum of \$25,000, were R. W. Hubbard, Cedar Rapids; D. P. Smith, Fort Dodge, Ia.; W. F. Graham, Detroit; R. G. Dillon, St. Paul; J. A. Todd, Oklahoma City; S. D. Aishuler, Racine, N. J.; Endres, Madison, and H. C. Strohm, Milwaukee.

The general renewal percentage was 83 percent. Ohio led all other states with 90 percent. Wisconsin was second with 89, Minnesota 84, Iowa, 82, Illinois and Michigan 78 percent.

"and then start my son ...as my successor."

Mr. J. Guy Jackson has been in the life insurance business for twenty-eight years, and for the last seven has been Guarantee Mutual Life's general agent at Macon, Georgia. . . . That he plans to put his son in the business when the latter attains maturity, we consider a salute to the institution of life insurance. . . . That it is his intention to have his son succeed him in his agency, we consider a compliment to our company.



J. GUY JACKSON JR.
Successor to
J. GUY JACKSON
General Agent
GUARANTEE MUTUAL
LIFE COMPANY
OMAHA, NEBRASKA

Guarantee Mutual's INCOME CONTINUANCE PLAN is now in its fourth year of operation. The plan is non-contributory on the part of the representative, and is provided in addition to liberal first year and renewal commissions.

Write A. B. Olson, Agency Vice President
for details of our
"BUILDERS OF MEN" Agency Plan

GUARANTEE MUTUAL LIFE CO.

OMAHA, NEBRASKA
Organized 1901

EDITORIAL COMMENT

Buckner--Great Production Engineer

It is something of a distinction for a man to rise to the utmost heights in his own calling. It is something more to have started with one's institution and remained with it all the while during the many stages of a career some 60 years. It is something more for a boy, 15 years of age, to have begun as an office boy and then risen round by round until the highest rung of the ladder was reached. Yet such was the career of Thomas A. Buckner, who died last week, prominent for many years in the New York Life. His father, Walker Buckner, preceded him in that organization, being manager at Milwaukee, and young Buckner in 1880 became an office boy in that agency. Then when he was 21 years of age he went into Iowa and became a personal producer, his first year's record being \$260,000 of paid business which in those days was a remarkable one.

Mr. Buckner, therefore, went to the front in what is usually termed the hard way. He was always industrious. He knew that he had to work to live. He was not dependent upon anyone. He marked out his own path and by his resourcefulness, ambition, determination and persistent industry he won his spurs.

The New York Life field force and those engaged in the work of production knew that Mr. Buckner at the head office was responsive because he had traveled through the course that they were pursuing. He knew the field problems. He had been through the mill and knew every hurdle to be jumped. Clear to the end he was a friend of the field man.

Mr. Buckner when he sat on the throne at the New York Life was the dominant factor and the real boss but he was tolerant and those in his own company realized that he knew the business better than they did. Because he had had this diversified and long experience his prestige was augmented. Mr. Buckner will be remembered particularly as a general in the agency ranks. Whatever else he accomplished he was truly a production engineer of the highest fame. He had the faculty of drawing men to him. As he had come up from the ranks he had a warm sympathy for those down the line.

He was a different president than John A. McCall or Darwin P. Kingsley. Yet the firm of Kingsley & Buckner was certainly a powerful one. Mr. Kingsley was an aristocrat, a man of education, reading, a finished writer and a scholar. Yet he was in a way idealistic. He did not have the sparkle or

warmth of Mr. Buckner. The latter was a practical man, a thorough going business man, who had learned life insurance from the ground floor and therefore the two men made a most successful and famous team. Prior to the reign of Kingsley and Buckner, the famous trio of the New York Life was John A. McCall, George W. Perkins and Darwin P. Kingsley, a triumvirate of life company executives that has never been excelled.

Mr. Buckner was a practical builder and when he succeeded Mr. Perkins as vice-president in charge of the agency department he began that era of business construction and expansion that took the New York Life to great heights. He had what might be termed power houses throughout the country, that is inspectors of agencies that he had brought into the business for the most part, located at strategic points and through them the agency structure was augmented and strengthened.

At the head office Mr. Buckner was the dynamo, the inspiring force, the leader. He engendered a working spirit all through the organization. All during his career Mr. Buckner was human in his contacts. Yet in those active times when he was aggressive, pushing, urging and generating enthusiasm along production lines he never went beyond the bounds of safety.

Regardless of his qualities as an agency leader when he became head of the company he developed a constructive conservatism that won him many admirers. When the pressure was great on investment lines for legal reserve companies to tear down some of the old barriers and expand the investment laws he stood firmly for safety. He was thoroughly imbued with the mutual spirit and he wanted nothing of an experimental type to be put into effect that was speculative or dangerous. He was willing to try new methods if they had no destructive characteristics in them.

While Mr. Buckner was truly great as an executive he made one grave mistake that we find in insurance institutions of various kinds and that is that he did not build an organization out of his own timber that could carry on. He belonged to a generation of great leaders and these men in the New York Life head office arrived at life's afternoon together. Younger men of ability were not encouraged to take the reins and accept responsibility. That is the fault of many executives who have made a conspicuous success in other

lines but they have forgotten their own institution in that they failed to prepare a strong line of succession.

Perhaps Mr. Buckner's philosophy of life in a way was reflected in a statement that he made a few years ago in which he emphasized the developing influence of hard work. He said:

"I find in life that most affairs that require serious handling are distasteful.

For this reason, I have always believed that the successful man has the hardest battle with himself rather than with the other fellow. To bring one's self to a frame of mind and to the proper energy to accomplish things that require plain hard work continuously is the one big battle that everyone has. When this battle is won for all time, then everything is easy."

Significance of the Fire Insurance Probe

LIFE insurance men who watched the Securities & Exchange Commission in its earnest search for flaws to magnify for the edification of the Temporary National Economic Committee cannot but sympathize with what their brethren on the fire insurance side of the fence now face at the hands of the Justice Department's antitrust division, which is shortly to begin a grand jury inquiry at Atlanta into complaints that leading stock fire insurance companies have violated the Sherman antitrust laws by controlling rates and commissions.

The life companies' real interest, however, lies not so much in the bumps that are probably ahead for many fire company and association executives but in the ultimate effect on the venerable Paul vs. Virginia United States Supreme Court decision that has thus far successfully stood in the way of any yearnings to supervise the nation's life insurance business from Washington. As with the TNEC investigation, quite a few people have wondered whether the threatened investigation of the fire companies was not really aimed at bringing about federal control of insurance rather than at the problems under immediate consideration.

In fairness to the Justice Department officials who are handling the fire company investigation it should be stated that there is no evidence that they are interested in anything more than the charges that the antitrust laws have been violated. When insurance historians look back a decade from now they may very well have to record that the fire company investigation opened the way for the government to break down the Paul vs. Virginia decision and bring about federal supervision of all types of insurance. In spite of that, however, there is no indication that the antitrust division is acting as an advance guard for such a movement.

One possibility may be that the Justice Department, though unable to show that insurance is commerce and therefore subject to the federal government's constitutional powers over interstate commerce, might be able to bypass the Paul vs. Virginia decision entirely by proving that insurance companies though not engaged in com-

merce, had by combining to suppress competition in rates, succeeded in "affecting" interstate commerce, on the ground that insurance rates are an important factor in various types of interstate commerce. The Supreme Court has long held that concerted actions which "affect" interstate commerce are subject to the Sherman antitrust laws even though the operations themselves do not constitute interstate commerce.

If this should prove to be the final verdict the effect on the life insurance business would be negligible, since life companies have never operated in concert to any perceptible extent and since the TNEC investigation has scrupulously avoided any activity that might even give that appearance.

From a strictly realistic point of view however it must be admitted that if the Justice Department or any other agency of the federal government tried very hard to prove that insurance is commerce it will find its case before sympathetic judges in the present Supreme Court. In view of what may eventually grow out of the fire insurance investigation all branches of insurance might well begin considering how they will have to change their operations if the Supreme Court should hold that insurance is commerce and that the federal government's power over interstate commerce gives it the right to tell the companies what they may and may not do. It will certainly raise a paramount issue.

PERSONALS

Lester O. Schriver, general agent of Aetna Life in Peoria, Ill., resigned as president of the Peoria Community Fund & Council because of increasing responsibilities in the civilian defense effort. He was the first president of the combined fund and council and previously was president of the community fund. Mr. Schriver is directing the effort to raise \$1,500 per month in Peoria county toward financing the war.

R. Joyce Portnoy of the Ralph D. Lowenstein agency Massachusetts Mutual in St. Louis has received word of his qualification for the Million Dollar Round Table. He entered life insurance in 1933 upon graduation from Washing-

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"If, only, I could get back for just a few days to buy adequate insurance protection for my family!"

ton University in St. Louis and has been one of the leading producers of his agency and his company consistently. He is a member of the Life Insurance Trust Council of St. Louis.

C. F. Hobbs, Kansas commissioner, who is running for reelection, received his mother's vote for the first time in the primaries this year. Mrs. W. F. Hobbs, who is 93 years of age, has in the past been ineligible to vote because she had not been a Kansas resident for a sufficiently long period. But for the past year she has been residing with a daughter at McCune, Kan.

Mr. Hobbs was victorious in the Republican primaries. He is the immediate past president of the National Association of Insurance Commissioners. He has been in office since 1929 and was in the department for 12 years before that.

In addition to his numerous other duties, **John A. Ramsay**, Newark general agent of Connecticut Mutual Life and president of the Life Underwriters Association of Northern New Jersey, has been made an associate editor of the "New Jersey Records Reporter," a publication devoted to general court and real estate matters in northern New Jersey.

Edmund Fitzgerald, vice-president of Northwestern Mutual Life, spoke at graduation exercises for about 2,000 men in the Great Lakes Naval Training Station service schools.

The marriage of **George M. Clarkson**, Des Moines general agent of Occidental Life, to Miss Helen Vera Anderson of Altoona which took place last December in Kansas City has just been announced.

W. Reginald Baker of Newark, who is now in his 54th year of service with Mutual Life, will celebrate his 70th birthday Aug. 19. He has qualified twice for the Million Dollar Round Table and has been a member of the company's National Field Club for 20 years. He is a past president of the Life Underwriters Association of Northern New Jersey.

C. Manton Eddy, secretary of the group department of Connecticut General Life, has completed 20 years with the company. A graduate of Brown University in 1922, he became a clerk

in Connecticut General's actuarial department later that year. He became assistant actuary in 1928, executive head of the group department in 1936, and group secretary in 1937.

N. F. Allman, a director of Asia Life, Shanghai, China, is expected to arrive on the Swedish repatriation liner "Gripsholm" when it arrives in New York about two weeks hence. He was interned at Hong Kong and was subsequently sent to Shanghai by the Japanese.

DEATHS

John L. Pierce, 88, who was in charge of the Nebraska insurance department 1907-1909, when it was a part of the state auditor's office, died at his home in Lincoln. He went to Lincoln from Champaign, Ill., where he had conducted an agency, and for several years was vice-president of Lincoln Accident, now a department of Midwest Life of Nebraska.

Everett N. Ewin, 64, for 25 years in the life, accident and health business in Kansas City, the past six years with Federal Life & Casualty, died there.

Mrs. Helen DeHaas, whose husband, J. Rex DeHaas, is general agent at Marquette, Mich., for Northwestern Mutual Life, died at her home in Marquette after an illness of about a year. She was born in Newberry, Mich., in 1893 but had resided in Marquette most of her life. She had served as secretary and president of the Visiting Nurses Association and had been very active in Red Cross work.

Charles B. Richardson, 78, general agent of Massachusetts Mutual in Richmond, Va., until his retirement several years ago, died there after an illness of some weeks. Mr. Richardson entered the insurance field after ventures in the general merchandise and drug business. He was with Equitable Society in Richmond before going with Massachusetts Mutual.

G. E. Heid, 58, cashier of the St. Louis agency of Bankers Life of Iowa, died from heart trouble. He started with Bankers Life in 1927 as cashier in St.

Louis. In 1930 he went into the field as agency supervisor, but resumed his position as cashier in 1931.

M. W. Mack, 68, who retired two years ago as Cincinnati general agent for Northwestern Mutual Life after serving in that position for 40 years,

died in a hospital at Traverse City, Mich. He was stricken while vacationing at his summer residence at Omena, Mich. His son, William J. Mack, is the present general agent in Cincinnati for Northwestern Mutual. A brother, Ralph W. Mack, is special agent in that office.

INSURANCE MEN CALLED TO SERVICE

W. T. Plogsterth Gets Captain's Commission

W. T. Plogsterth, director of field service of Lincoln National Life, has been commissioned a captain in the army air force. He left Aug. 7 for Miami Beach, Fla., where he has been temporarily assigned.

Captain Plogsterth served as an artillery officer in the last war and for 20 years has been connected with Lincoln National Life as a member of the agency department, assistant superintendent of agencies, and director of field service. He has been active in the affairs of the Life Advertisers Association and is well known in life insurance agency circles.



W. T. Plogsterth

a producer and general agent before entering the navy.

Laurance Eustis, Jr., and **F. Winter Trapolin**, both of the Friedler & Mayer agency of Home Life in New Orleans, have received appointments as lieutenants (j. g.) in the naval reserve and have been ordered to report for duty at the naval air school at Quonset Point, R. I. Mr. Eustis has led the Home Life agency in New Orleans in new business for the last three years.

Miss Mary Daily, formerly employment manager with Continental Casualty and Continental Assurance in Chicago, was the first woman to receive a commission in the ninth naval district of the women's reserve. She is a lieutenant in the navy auxiliary.

Miss Daily had been with Continental since March, 1940, and before that served as employment procurement manager for the Collegiate Bureau, an organization which obtained jobs for college graduates. Her job in the navy is the same as the work she has been doing for the past few years.

Henry A. Bodendieck, associate publisher of the "Insurance Magazine," and "Bank News" of Kansas City, has been commissioned a first lieutenant in the army air corps and has gone to Miami Beach for preliminary training.

Samuel C. Loventhal, member of the firm of Loventhal Bros., Nashville, Tenn., well known local agency which represents the Northwestern Mutual Life, has been in military training for the last seven months and is now at officers training school at Miami, Fla. He wrote \$274,527 for the seven months prior to entering military service. He received his C.L.U. degree in Cincinnati in September, 1941. He is a son of C. B. H. Loventhal, head of the

MUTUAL TRUST LIFE INSURANCE COMPANY

HOME OFFICE
CHICAGO



FIELD BUILDING
ILLINOIS

"As Faithful as Old Faithful"

IS THE GENERAL AGENCY SYSTEM ON ITS WAY OUT?

The answer to that one is that practically all mutual net level premium companies have been built up under that system and are making steady and substantial progress year by year.

So long as freedom reigns in a free land and men are born who learn how to crack the whip over their own backs the General Agency System will continue to grow and prosper.

A small group of successful General Agents has, in 37 years, built up for Mutual Trust, assets of 55 millions and insurance in force of 200 millions. There is no death rattle in that.

Nothing Better in Life Insurance

firm. His father has had nine years of consecutive weekly production and in the lineup as of Aug. 1, it was his 480th week.

Merle Gulick, director of public relations of Equitable Society, has been commissioned a lieutenant commander in the navy. He was tendered a farewell party by associates before leaving for active duty. V. S. Welch, second vice-president, extended best wishes.

Andrew G. Kachele, agent with the Reading, Pa., office of New York Life, has been commissioned an ensign in the navy. He will take up his duties at the Boston navy yard. Mr. Kachele is a graduate of Valley Forge Military academy and the University of Pennsylvania. He has been with the Reading office for five years and proved a successful producer. Last year he stood 58th among New York Life producers at the end of June.

Winslow H. Adams, assistant manager of the Carter agency of Equitable Society in Boston, has become a first lieutenant in the army air corps. He was given a testimonial farewell luncheon by office associates.

A. W. Friskey, Jr., of the A. R. Houle agency of Massachusetts Mutual in Chicago has been commissioned a lieutenant, senior grade, in the naval reserve.

E. E. Myers, 17 years with Penn Mutual Life in Chicago in the W. A. Alexander & Co. agency, has been promoted to captain in the air force.

Dr. T. M. Ebers, assistant medical director of Pacific Mutual Life, has been commissioned a lieutenant in the navy, and has been ordered to active duty. He is a graduate of the University of Nebraska, and served his internship in Chicago, later taking post-graduate work there. He was in private practice in Lincoln, Neb., before joining Pacific Mutual in 1933.

Paul Talley of the Nueces Insurance Agency, Corpus Christi, Tex., has entered the army air corps as a lieutenant, leaving for Miami, for further training. He was formerly district manager of Union Central Life in Corpus Christi. He is past president of the Corpus Christi Association of Life Underwriters.

Alex H. Pegues, supervisor of the Elmer Abbey agency of Aetna Life in San Antonio has been called into the air corps administrative department as a lieutenant. He is at Miami attending an officers school.

Robert Leu, agent of the Reuling & Williamson agency of Massachusetts Mutual Life in Peoria, Ill., is at Notre Dame to attend naval officer training school under the V-7 program. He was graduated from Bradley Polytechnic Institute, Peoria, in 1940. Following a month's training he will be sent to Chicago or New York for three months' training leading to appointment as ensign.

Ten men were added to the service roster of **Franklin Life** in July, six from the field force and four from the home office. From the field: G. E. Barington, general agent, Lufkin, Tex.; H. G. Schnell, Green Bay, Wis., and J. W. Cole, Sweetwater, Tex., all joined the army. J. D. Haynes, Fort Wayne general agent, one of the outstanding producers, has entered the air corps school in Fort Wayne for six months training; Victor Leske of the Milwaukee agency is now a member of the marine corps. R. L. Ratliff, Jr., formerly of the Sherman, Tex. agency, who joined the army some months ago, has received his sixth raise in rank. From the home office Earl Rochester, Elmer Solle and Walter Rietz went to Peoria to be inducted into the army, and Neil McBride left to take marine corps training.

W. H. Siegmund, Los Angeles general agent of Connecticut Mutual Life, who now is serving as a lieutenant commander in the navy, has been detached from his present station, and has been ordered to one of the naval schools in the east for a special course of instruction.

AMONG COMPANY MEN

Conn. General Names A. L. Joyce to Higher Post

Connecticut General Life has elected Aubrey L. Joyce associate actuary and head of the reinsurance department.



A. L. Joyce

Mr. Joyce joined Connecticut General in 1927 after graduating from the University of Toronto, where he specialized in mathematics and physics. In 1936 he became superintendent of the actuarial department and in 1939 was advanced to assistant actuary.

He is a fellow of the Actuarial Society of America and American Institute of Actuaries, and is a member of the joint examination committee. For more than 25 years the reinsurance operations of the company were under the direction of the late John M. Laird. Continued expansion of this line requires full-time executive management and Mr. Joyce will devote his entire time and capacity to this important work.

Trussell Named Mutual Life Agency Assistant

Albert Trussell of the Ives & Myrick agency of Mutual Life in New York has been transferred to the home office as agency assistant. Mr. Trussell succeeds Leland T. Waggoner, who was recently commissioned an ensign in the navy. He will assist Roger Bourland, director of sales promotion, in creating sales material and editing field publications.



Albert Trussell

Mr. Trussell has been with Mutual only a few months. Prior to his affiliation with the company he was three years with McCann-Erickson, New York advertising agency. He graduated in 1939 from Syracuse University.

Russell with Mutual Life in Financial Department

Philip A. Russell, formerly with the First Boston Corporation, has joined Mutual Life as industrial specialist in the financial department. Mr. Russell will have supervision over the industrial portfolio and will also be responsible for the investigation of new industrial investments. He will work under Dwight S. Beebe, vice-president and financial manager.

Mr. Russell has had wide experience in both the engineering and investment fields. For the past 20 years he has been associated with the First Boston Corporation and predecessor companies, serving for the past six years as manager of the buying department in charge of industrial issues.

Prior to joining First Boston, Mr. Russell was for a number of years in the construction field as an engineer with the New York Public Service Commission on the East River tunnels, and with the Aberthaw Construction Company of Boston on various industrial projects. During the first world war, he was a lieutenant in the navy in

charge of a naval aircraft plant. He is a graduate of Massachusetts Institute of Technology.

Vale Regional Group Manager

Gren E. Vale has been appointed regional group manager of Bankers Life of Iowa with headquarters in New York City. He previously was with Prudential's group department, where for six years his work covered the promotion, installation and administration of all types of group insurance and annuities. Recently he has been home office representative of Prudential's group sales department, operating from Chicago and Cincinnati. He is a graduate of Colby College.

Minnis to Provident of N. D.

Brady Minnis, who has been supervisor of Mutual Life in Minneapolis for six months, has resigned to become field supervisor of Provident Life of Bismarck, N. D.

Dr. Hawkins Medical Director

Dr. H. M. Hawkins, assistant medical director of Old Line Life of America for about 10 years, has been elected medical director to succeed the late Dr. Walter T. McNaughton.

COMPANIES

Security Mutual Has Favorable Half-Year

The equivalent of more than 50 percent of net life insurance premiums, both new and renewal, received by Security Mutual Life, Binghamton, N. Y., in the first seven months of the year, has been invested in United States government bonds.

Its life insurance sales for the first half of 1942 were more than 12 percent ahead of the comparable period of 1941. The number of cases was 16 percent ahead and first year premiums were nearly 31 percent ahead. The gain in premium income is seen as evidence of the sale of higher premium forms and an increase in the proportion of annual premium business.

In the accident and health department, now in its third year, premium income was more than double that for the first six months of last year.

Insurance in force, as of the mid-year, was over the \$102,000,000 mark, to show a gain for the year then ended 6½ times as great as the gain for the preceding year.

Lapses for the first six months were down nearly 32 percent as compared with the first half of 1941 and surrenders were down 7½ percent. Death claims were almost exactly the same as for the comparable period of 1941 when the ratio to those expected was unusually favorable.

Old Line's Mid-Year Report

Old Line Life had \$87,801,916 of life insurance in force June 30, a gain of \$2,249,187 for the half year. New paid insurance in the six months showed an increase of 25 percent. The average life policy was \$2,299 as compared to \$2,186 a year earlier. While actual mortality showed a slight increase, it was only 43.2 percent of expected.

Gross income was \$2,224,997 for the first half of 1942, a gain of \$64,232 over the first half of last year. Disbursements were \$1,694,418, including payments to policyholders and beneficiaries of \$956,989.

Reopen American Annuity Case

LINCOLN, NEB.—The state supreme court has denied the application of the Nebraska department, American Annuity of Omaha and Republic Na-

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tional Life of Dallas for a rehearing and an order dismissing the action brought by Mrs. Norma Risk of Lincoln, challenging the validity of the contract by which the Texas company took over American Annuity. The court ordered that Mrs. Risk be given an opportunity to present her complaint to the district court, which had refused to hear it on the ground that the same issue had been determined in a case brought by two other policyholders. They consented to a decree on condition that the assets of the Omaha company be put in escrow. The supreme court says a consent decree does not bind other policyholders, who are free to raise the same issue, since there was no court finding on the main issue raised.

Gain for Pacific Mutual

Pacific Mutual Life reports \$18,249,000 new business for the first six months of 1942, compared to \$16,637,000 in 1941. Insurance in force for the first six months of 1942 increased \$1,212,000, compared to a decrease of \$714,000 a year ago.

U. S. Life Half-Year Results

New business of United States Life for the first six months of 1942 was \$6,584,759 as compared with \$11,693,634 the first six months of 1941. Increase in insurance in force was \$3,669,973 as against \$8,353,628 for the same period last year.

Takes \$1,375,000 of Tap Issue

Franklin Life purchased \$1,375,000 of the August offering of the tap issue of U. S. Treasury bonds consisting of 2½ bonds due 1967 and callable 1962. This was considerably in excess of the company's May purchase.

SALES MEETS

Manhattan Life Holds Regional Conferences

Manhattan Life has canceled plans for its 1942 agency conference which was to have been held at Asheville, N. C. Instead regional conferences will be held for qualifiers. There will be such a conference at Westchester Country Club, Rye, N. Y., Sept. 15-18, and a second in Chicago at a date that has not yet been selected. The club year ends Aug. 31.

Ferns Agency Conference

J. A. Patton, manager of the home office group department of Equitable Society, spoke at a "victory" conference of the T. A. Ferns agency of Rochester, N. Y., held at Cobourg, Ont., for three days. The theme of the meeting was adjusting techniques to wartime selling. Manager Ferns talked on the need for life insurance in wartime and the importance of the agent. W. S. Speir, assistant manager, discussed today's prospects. F. G. Pederson, cashier, took up life insurance in action over the counter, giving some case histories of death and disability claims.

Penn Mutual Chicago Roundup

John A. Stevenson, president and Wallis Boileau, Jr., vice-president of Penn Mutual Life will make a trip to Chicago during the meeting of the National Association of Life Underwriters in order to address the Chicago agencies. They will meet at the Edgewater Beach hotel, without formalities, for a short discussion.

Republic National Convention

Republic National will hold its 1942 agents' convention Sept. 2-3 in Dallas. Ward Phelps of the Sales Research Bureau will conduct a seminar, as has been done for several years.

Dan J. O'Brien, agent of John Hancock Mutual Life in Des Moines, has

Kansas City Life Makes Changes

Walter M. Seitz, Chicago manager of Kansas City Life, is being transferred Sept. 1 to Tampa, Fla., as state manager. The state for about two years has been under home office supervision.

Carl Slough, regional agency super-



WALTER M. SEITZ

visor, Indianapolis, is preparing to move his office to Chicago, where the present office will be operated, at least temporarily, as a branch.

Mr. Slough has jurisdiction over 14 states including Illinois and will supervise the Chicago office, assisted by Walter S. Letzsch, who has been Mr. Seitz' assistant for six years and continues as supervisor.

Mr. Seitz returns to a state which he knows well, having been agency manager of Equitable Society 1925-30 at Jacksonville, and president of the Florida Association of Life Underwriters 1928-29.

He started in life insurance work at Jersey City when he was 13 for the Meyer & Klein agency of Mutual Life of New York. Later for a time he was a life insurance broker in New York city before going to Florida in 1925. From 1930 for several years he was associated with O. Sam Cummings, Dallas, general agent Kansas City Life, in charge of the Houston branch.

Mrs. Seitz is in Florida, where for about six months of each year she has been residing. She is a prominent singer, being soloist with a large orchestra, and resides in Miami. Mr. and Mrs. Seitz probably will make their home in Clearwater or St. Petersburg.

Crown Life Enters Cal.; A. W. Brown State Agent

Crown Life of Canada has obtained its license to write life and disability insurance in California, and will commence operations from offices now being established in Los Angeles.

Arch W. Brown has been appointed general agent for the state and has opened his offices at 530 West 6th street, Los Angeles. Mr. Brown has been "chief agent" for the company in Honolulu for 11 years and will continue to operate that agency. He has produced \$15,000,000 in his last 11 years with Crown.

Before going to Hawaii he was located in southern California.

From 1912 to 1917 was engaged in

been elected commander of the Iowa department of the American Legion.

LIFE AGENCY CHANGES

the general insurance business in Honolulu. He served in the first world war overseas as a captain. In 1919 he returned to Honolulu and became manager of Manufacturers Life, leaving that company to join Crown Life in 1931.

A. D. Crow to Columbus for Lincoln National

Arthur D. Crow, assistant general agent at Minneapolis of Lincoln National, has been promoted to general agent at Columbus, O. The new general agency will have offices in connection with the Columbus branch office at 920-22 Huntington National Bank building.



A. D. CROW

Mr. Crow's entire business career has been with Lincoln National. He joined Lincoln National in 1929 as cashier of the branch office in South Bend, Ind. In the same year he also became licensed as a part time agent. In 1931 he was promoted to cashier at Milwaukee and in 1933 became cashier at Minneapolis. He was made assistant general agent in Minneapolis in 1938.

For the first six months of 1942 Mr. Crow stood first in written business and third in paid business among Lincoln National Minnesota men. He is a C.L.U.

Minnesota General Agent W. W. Scott tendered a farewell dinner to Mr. Crow at the Minneapolis Club.

Changes in Republic National

L. Ray Saunders, a former banker and for 12 years a general agent, has been named general agent of Republic National Life for the Port Arthur region.

Two successful general agents of Republic National have been advanced to better territory. Eli W. Gregg is chang-

Gets Ill. Field



M. LOUIS BUHLER

M. Louis Buhler has been appointed general agent for the Illinois territory for Self Help Assurance of Chicago with offices at 53 West Jackson boulevard, Chicago, and 144 Fairway avenue, Glen Oak, Ill. Mr. Buhler started in the insurance business in his native city of Columbus, Ga., and later was connected with Metropolitan Life in New York City, first as an agent and later in the home office. In recent years he has been located in the middle west, specializing in the sale of life, accident and health and hospitalization business.

Self Help Assurance has been in business 63 years.

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ing his general agency and all personnel from Phoenix, Ariz., to Lubbock, Tex., where he will serve a large part of the Panhandle. R. I. Jones is moving from Albuquerque to Fort Worth where he will build an agency for that territory.

Fritts Appointed in Chattanooga

Kings C. Fritts has been appointed manager of the Chattanooga agency of New England Mutual Life with offices in the James building.

E. K. Roth to Aetna Life

Edward K. Roth, for a number of years general agent of Mutual Benefit Life in Portland, Ore., has become associated with John N. Adams, general agent of Aetna Life in Portland.

Mr. Roth graduated from Cornell university in 1914 and was a personal producer in Tulsa, Okla., before going to the coast. He qualified as a C. L. U. in 1935 and this year is serving as president of Portland C. L. U. chapter. He has been a vice-president and a director of the Life Managers Association of Portland.

Schwartz Succeeds McCord in L.A.

Ralph N. McCord, Los Angeles, general agent of Columbian National Life, has resigned, effective Sept. 1, and will devote himself to personal production. Joseph Schwartz, general agent at San Diego, Cal., will succeed him. Mr. McCord, in addition to his life insurance activities, is well known as a speaker and author on athletic subjects, and as an official at major college football games.

Anderson with Capitol Life

John L. Anderson has been appointed general agent of Capitol Life in Corpus Christi, Tex. He was with American National 12 years as assistant superintendent and special agent in El Paso and Corpus Christi.

Bateman N. C. General Agent

W. J. Bateman, Tarboro, N. C., who has an unusually good record as a personal producer, has been appointed general agent of Minnesota Mutual Life in northeastern North Carolina. He has been with the company 14 years. During the lean years of the depression, he led the field two years in volume, although he operated in a town of only 5,000, about half of them Negroes. He will continue to have headquarters at Tarboro.

Nisbet Named at San Antonio

R. C. Nisbet, formerly in the automobile business at Dallas, has been appointed district agency manager by Kansas City Life at San Antonio. He succeeds J. S. Worley, who has entered government service.

H. E. Simmons has retired as manager of the Charleston, S. C., branch of the Acacia Mutual, having reached his 65th birthday. He will continue to do some personal work. He has been a consistent producer right along.

Hugh H. Earle, who was Oregon insurance commissioner several years ago, has become the proprietor of the Reedsport Packing Co. Before becoming commissioner, he operated a local agency in Eugene for many years.

CHICAGO

USING TAX KNOWLEDGE

The Spindell-Millett Service, 133 South LaSalle street, Chicago, consisting of Robert F. Spindell and Paul F. Millett, both well known life insurance men, has put out a brochure entitled, "Using Tax Knowledge to Sell Life Insurance." It is a reprint of nine leading articles first published in the firm's "Monthly Tax Bulletin." The subjects discussed are taxes and living costs against insurance sales, practical procedure in estate analysis, re-analysis imperative for all estates, pension and profit sharing trusts, grandfather-grandchild insurance program, business insurance agreements hold tax problems, new need for business insurance, partnership vs. corporation, family partnerships. The price is \$1.

RECRUIT MEN 45 AND OVER

Chicago life agencies are confining their recruiting very largely now to the older men of 45 or over because of the continual disruption of staffs as the younger men are drawn in selective service or enlist. This is giving the older life men a chance who more or less were tossed into the discard in the years during and since the depression with development of the thought that the efforts of agencies should be concentrated on developing younger salesmen. Many of these older men are quite able since they know the life insurance story and how to tell it in simple terms. The present trend in recruiting also is serving to bring into the business able men from other lines which are suffering because of priorities and curtailed production of non-essentials.

CONTEST FOR MEN IN SERVICE

The W. A. Alexander & Co. agency of Penn Mutual Life in Chicago sponsored an unusual contest for production last month. The agents stood to win nothing for themselves, but if they did a certain amount of business over a five weeks' period they were given a writing kit made of leather which was then sent to a man in the service.

The agents agreed that if they did not produce the minimum business they would buy the kit and send it out anyway. Letters were written to the men in service at the start of the contest telling them that the kits were forthcoming, regardless of method.

The kits were of two colors, blue for the navy and tan for the army. J. H. Sherman, manager of the life department, estimates that \$100,000 extra business was written during the contest period.

Wilfred R. Sprout, formerly an independent contractor, is now connected with the Paul A. Hazard agency of Home Life of New York in Chicago.

Mortality Rate Improved

The mortality rate from all causes during the first three months of 1942 was nearly 8 percent less than the corresponding rate for 1941 and 10 percent less than the rate for 1940, according to U. S. Public Health Service. Automobile accident deaths decreased about 5 percent.

NEW YORK

BIERBAUM OUTING AT SEA

The Bierbaum agency of Mutual Benefit Life in New York held its first annual outing in the form of a fishing trip on the waters of Great South Bay, L. I. Before leaving the dock in the two chartered boats the home office guests, H. G. Kenagy, superintendent, and B. C. Thurman, assistant superintendent of agencies, were appointed captains and they chose their shipmates by picking names from a hat. Prizes of war stamps were awarded to Mr. Thurman for the first fish caught, to James F. Free for the largest number, to G. Gilson Terriberry for the longest, and to Harry Schoen for the least number. The total catch for the day was 124 weakfish. The day was rounded out by a dinner at Bay Shore.

Prior to taking over the former home office agency of Mutual Benefit Life at 233 Broadway, New York, last December, Mr. Bierbaum was general agent in Brooklyn. During the first six months of 1942 the business of his present agency has increased 40 percent over that of the same period last year.

KEFFER AGENCY OUTING

Informal addresses by Morgan B. Brainard, president, and S. T. Whatley, vice-president, Aetna Life, were features of the annual outing of the R. H. Keffer agency's Big Ten Alumni production club in New York.

Business is satisfactory in view of the handicaps to selling and the company is ahead for the year, Mr. Brainard said. All companies will put practically all of their investments in government bonds in furthering the war effort, he stated.

Chairmen who qualified for production honors the largest number of times were Sandy MacLeod and J. P. Garry. Qualifying the largest number of times for production honors was Oscar Barrett. O. A. Krebs was awarded low gross golf prize by Mr. Keffer, second honors going to John Balfe.

KNIGHT AGENCY IN JULY

Paid-for business of the Charles B. Knight agency of Union Central Life in New York City for July was \$959,721. The total paid for business for the seven months of 1942 is \$5,712,998 as compared with \$12,278,174 for the seven months of 1941.

ROTHENBERG WITH BEARDSLEE

Nathan Rothenberg has been appointed brokerage supervisor in the Beardslee agency of Columbian National in New York.

OTT AGENCY OUTING

A. V. Ott agency of the Equitable Society in New York City held its annual fishing trip July 30. Agent Al Evans won first prize with "high rod" (most fish) and Agent Al Jensen won second prize with largest fish.

L. A. Williams, Indianapolis, Ind., sales manager of the Farm Bureau companies of Indiana, spoke before the Lincoln County Farm Bureau at Stanford, Ky., Aug. 5.

Farmers' Cash Income Up 44 Percent in First Half

Farmers are among the most numerous beneficiaries of the war economy, and some idea of their income is gained from the reports of the U. S. department of agriculture.

Total cash income from farm marketings was \$1,059,000,000 in June, compared with \$993,000,000 in May and \$773,000,000 in June, 1941. During the first half of 1942 cash income totaled \$5,773,000,000 compared with \$4,012,000,000, an increase of almost 44 percent.

Production of crops and livestock will set new records this year, but food requirements for military, lend-lease and civilian use also continue to mount. Total output of food is expected to be 9 percent larger than 1941 and 25 percent larger than the average for 1935-39.

Additional Members of War Group

In addition to those listed in an article in last week's edition as members of the committee appointed to coordinate war activities of the Life Presidents Association, American Life Convention, National Association of Life Underwriters, Institute of Life Insurance and Sales Research Bureau, these prominent executives are also members:

Col. Franklin D'Olier, president of Prudential; W. T. Grant, president of Business Men's Assurance, and Gerard S. Nollen, president of Bankers Life of Iowa.

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NEWS OF LIFE ASSOCIATIONS

Connecticut Runs Advanced Insurance School This Week

STORRS, CONN.—The University of Connecticut and the Connecticut Association of Life Underwriters are running a school in advanced life underwriting this week. The program worked out by Dean L. J. Ackerman of the university's school of business and educational leaders in the state life underwriters association includes not only lectures by experts in various phases of life insurance but round table discussions with the instructors and a recorded sales presentation by each student. It is believed to be the first time that a school of this type has been conducted in the east. Originally the plans were to admit 35 students but because of the number of applications the limitation was raised to 45.

W. W. Hartshorn, manager of Metropolitan Life at Hartford, a trustee of the National Association of Life Underwriters, is acting as dean of the school. Subjects to be covered and those who will handle them are as follows:

Principles of the estate planning, H. H. Irwin, educational director, Massachusetts Mutual Life.

Programming, Robert Wilkinson, agency assistant, Aetna Life, and Robert Lawthers, manager benefit department New England Mutual Life.

Business insurance, Leon Gilbert Simon, associate general agent Equitable Society, New York City, and Robert Lawthers, manager benefit department New England Mutual Life.

Pension trusts, William Knibbs III, director of salary allotment National Life of Vermont.

Insurance taxation, Arthur Potwin, legal department Connecticut Mutual Life, and Denis B. Maduro, counsel New York City Life Underwriters Association and consultant to many agents and companies on insurance taxation.

Ambitious Program for San Francisco Announced

SAN FRANCISCO—Increased membership, greater activity in the field of public relations and extension of the consumer educational program are among the projects of the San Francisco Life Underwriters Association which are being undertaken by the newly appointed committee chairmen. President W. H. Brock, Jr., Union Central, announced at a meeting of directors. The program also includes greater cooperation with civic and service organizations, particularly in promotion of the "Keep Well" crusade of the Institute of Life Insurance.

The consumer educational program has been accepted by the San Francisco C.L.U. chapter as its major objective for the year and it is planned to invite Roy Ray Robert, chairman of the National association's committee on education, as the principal speaker at a meeting to be attended by representatives of the local board of education, civic organizations, the Better Business Bureau, parent-teacher organizations and clubs.

The first association luncheon meeting under the new administration will be held Sept. 24.

To Confer in Washington

George Huth, Provident Mutual, and E. V. Sees, Metropolitan, co-chairmen of the war bond salary deduction drive in Chicago, and J. E. Smith, Northern Trust Company, Chicago, have been called to Washington for a one-day conference Monday to lay plans for the September drive in their city.

Honor Rutherford at Luncheon Held in Seattle

SEATTLE—A luncheon honoring James E. Rutherford, former general agent of Penn Mutual Life here, who has just been appointed chairman of the board of trustees of the National Association of Life Underwriters, was given under the sponsorship of the Washington State Association of Life Underwriters. Commissioner Sullivan of Washington spoke in appreciation of Mr. Rutherford and Lieut. Commander C. J. Frisbie, former general agent New England Mutual Life, spoke on behalf of the Seattle Life Managers Association. Hugh S. Bell, general agent Equitable Life of Iowa, spoke on behalf of the state group and presented Mr. Rutherford a parchment scroll inscribed with the names of those present. The presiding officer was Donovan F. Moore, Union Central Life, president Washington state association.

Following the luncheon there was held what was termed a "war conference" of the state association with Lewis T. Bostwick, immediate past president, in charge. Paul R. Green, chairman of the membership committee, secured a pledge on the part of the local associations to redouble their efforts to increase membership. Fred Broderick, national committeeman, spoke on "Internal Structure and Efficient Operation of Your Local Association." Fred C. Becker, chairman of the war bond committee, outlined his plans for integrating the efforts of the local associations in selling bonds. John Jewett gave a talk on behalf of the Treasury department and Linus Pearson, secretary of the Seattle association, told what that group is doing in the way of installing payroll allotment plans.

Mr. Rutherford gave a talk on federal legislation affecting life insurance and presented two resolutions which were adopted, one favoring restoration of the \$40,000 estate tax exemption for life insurance and the other favoring a provision for a deduction in income tax payments for premiums paid. Then there was an open forum.

Chicago Prepares for Big Event

Chicago life agents will be hosts to the National Association of Life Underwriters meeting in Chicago next

week. It is estimated 250 Chicago life agents will attend the open meeting Wednesday and the Dutch luncheon which will close the meeting. George Huth, general agent Provident Mutual, is national committeeman and will take active part in the business deliberation.

Nashville Bond Drive Clicks

NASHVILLE, TENN. — Addresses by C. A. Craig, chairman of National Life & Accident, and John A. Witherpoon, president National Association of Life Underwriters, sparked the joint forces of life and fire men of Nashville in a one-day "Victory Drive" for war bond salary deduction Friday, which resulted in signing up more than 400 firms under the solicitation of 300 agents.

Due to the fact that Paul Turner, president of the Nashville Insurance Exchange, is an executive officer of the Nashville civil air patrol and himself a civilian flyer, airplanes were used to drop literature advertising the drive and \$25 war bonds, furnished by Mr. Craig, A. M. Burton, president Life & Casualty and the Nashville General Agents & Managers Association, were dropped from the air. J. C. Fly, president Tennessee Association of Life Underwriters, and R. S. Brown, president Nashville association, took an active part in the drive.

Minnesota — President Leon W. LaBounta has completed committee assignments and announced activities will get under way early in the fall.

Cleveland — The war savings committee, with Frank L. McFarlane and Warren H. Smith as chairmen, reports that as of July 31, 175,382 employees in Cuyahoga county were participating in the purchase plan. Out of 767 companies with a personnel of 100 or more, 551 had installed the payroll allotment plan.

Fox River Valley (Wis.) — President Carl A. Sherry has appointed a committee to conduct the "Keep Well" crusade sponsored by the Institute of Life Insurance, with E. H. Manning as chairman.

Indianapolis — George K. Jones, Connecticut Mutual Life, has been appointed chairman of the "Keep Well Crusade" committee.

Atlanta — The "Keep Healthy" campaign has been launched. President W. J. Roundtree, Pacific Mutual, named a committee headed by J. E. K. Kennedy, Sun Life, to direct the work. N. Baxter Maddox, former life insurance man, now with the First National Bank, has been designated to represent the chamber of commerce in the drive.

Dallas — Committees have been appointed by H. M. Roberts, Reliance Life, president. They include several new ones, one being the committee to take steps to set up a life trust council. Chairmen are: Sales congress, C. E. Seay, Southland Life; program, John L. Burke, Travelers; membership, Jerry Wertheimer, Indianapolis Life; by-laws and legislation, John W. Arden, Southwest-

ern Life; educational, L. E. King, Minnesota Mutual Life; civic cooperation, E. G. Perry, American National; C.L.U. cooperation, Ricks Strong, John Hancock; business standards and policyholders' service, E. C. Stradley, Connecticut Mutual; budget, Miss Cora Dulaney, Great National; War bond sales, E. F. White, Connecticut Mutual; attendance, C. A. Fair, Travelers; life trust council, John A. Monroe, Jr., Great National; greetings, Charles E. Seay, Southland Life.

COAST

Caminetti Plans Merger of Chapter 9 Companies

LOS ANGELES—Commissioner Caminetti's plans for the 12 Chapter 9 companies he seized and which he now is operating in conservatorship have been the subject of considerable speculation recently. He states that "the department is now in a position to create a consolidated company of substantial size. . . . Plans for effecting this consolidation have been laid and details have been worked out."

Judge Caminetti, in his monthly report to Governor Olson, after reviewing the upholding of his acts by the courts, says:

"It has, of course, always been the aim of the commissioner in these cases to hold the business of the various concerns together and to effect a rehabilitation in such manner as to cure existing difficulties and to insure safety for the future."

Judge Caminetti says that the opinions of the courts have given the department the "all clear" signal on its plans for reorganization and continues:

Figures on Proposed Company

"Excluding the Guaranty Union, the commissioner is now in a position to proceed with a reorganization of 11 of the 12 companies originally involved, the statistics of which, as of April 30, 1942, are as follows:

	Cos. with Surplus	Cos. with Deficit
Assets	\$ 2,194,837	\$ 212,430
Surplus	392,598	—148,082
Ins. in force	25,758,545	4,252,749

"Thus the department is now in a position to create a consolidated company of substantial size, which company will not only be free from all claim or control by those who have been derelict in their trust but would afford much greater economy of operation and increased safety to policyholders. Plans for effecting this consolidation have been laid and details have been worked out. Existing deficits in certain companies will

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be eliminated by policy adjustments."

Since the California supreme court has decided the Guaranty Union case in favor of the commissioner, with its figures included the new company, when formed, would have assets of approximately \$2,910,000 surplus of \$650,000 and \$38,000,000 of life insurance in force.

It is understood that the heads of the liquidation bureau of the insurance department now are in conference with Judge Caminetti on some of the matters in connection with the consolidated company.

California Premium Tax

SAN FRANCISCO—Life companies must pay California premiums tax on all moneys received or credited as premiums, including additional insurance obtained through applications of dividends as premium and where dividend deposits left with the company are used to continue insurance under the non-forfeiture clause after the policy has lapsed, according to an opinion by the attorney-general's office.

ACCIDENT

War Injury Pool Policy Sale Starts Off with Bang

Sale of the civilian war injury policy, written under the pool plan sponsored by the Health & Accident Underwriters Conference got under way with a bang Monday. Offices of all participating companies were swamped with applications and inquiries from agents and brokers. Many agents got busy as soon as it was announced that the pool had been completed and that the sale of the policies would start Aug. 10, and had their prospects all lined up, awaiting only the deadline for completion of the applications.

Widespread interest had been aroused among both agents and the public by the publicity that has been given to the plan. The agents have been kept fully informed on developments through the insurance press and the plan has been quite widely publicized by the daily papers as well. Last Thursday the New York "Herald-Tribune" carried a front-page article on the plan, the major part of which was picked up by the Associated Press and sent out all over the country. Additional emphasis also was given to the idea by the recent activities in connection with war damage insurance on property.

The interest in the new form on the part of the public was reflected by the large number of requests from brokerage firms in the larger cities for a list of the companies in the pool, to find out where they could place this business.

Ohio Rules on Valuations

The recently announced Ohio rules for valuation of assets in the 1942 annual statements follow the rules of the National Association of Insurance Commissioners except where there is conflict between the commissioners' rules and the Ohio law and wherever the Ohio rules differ from N. A. I. C. rules the Ohio rule is the stricter.

Claude C. Jones, Connecticut Mutual Life, Buffalo—Reports largest paid-for month since the agency was established June 1, 1942. It is 23 percent ahead of last year and has had six plus months out of the seven this year to its credit.

THOMAS H. STEERS

Office Planning and Methods Consultant
for
LIFE, FIRE AND CASUALTY INSURANCE COMPANIES
Conway Building
Chicago, Illinois

AGENCY MANAGEMENT

Managers Discuss Recruiting

There are still men available who are fitted for selling life insurance and the great problem is to sell such men on the business, Lloyd Silberberger, Connecticut Mutual Life, told the San Antonio (Tex.) Life Managers Club in a round table discussion of recruiting under present conditions. The securing of such men, he stated, requires more skill and more careful selection than in the past.

Studies of sales shows that 75 percent of the business now is being written by men who were not selling life insurance five years ago, he said. He suggested that perhaps men above 45, qualified as valuable men, have been overlooked in the past because of the effort to avoid employing any agent over that age.

O. P. Schnabel, Jefferson Standard Life, said advances are given in his agency only on a persistency rating basis. Matthew Brown, General American Life, stated when he knew the man and type of contacts he has, if these are worthwhile he will finance the man.

Consider Auto Salesmen

The consensus was that the average automobile salesman is not a desirable recruit because he is dreaming of the day when he can return to selling automobiles and make big money. It was said he is unwilling to study and put in the required hours.

There are men whose businesses are economically disturbed by the freezing and priority regulations. These men may be confused and not know which way to turn, yet may be valuable agency prospects. Ronald Vincent, Travelers, told of finding a successful life man who formerly was a traveling salesman who had become weary of being away from his family. It was agreed that men who have been earning a good income are the most desirable recruits. They are accustomed to consistent, intelligent effort and frequently do not need financing. Mr. Silberberger suggested that young lawyers who are not yet established may be excellent recruits.

Must Conduct Fight on Three Fronts

BALTIMORE—Speaking before the summer meeting of the Life Managers Round Table of Baltimore, H. Kirkus Dugdale, advertising executive, pointed to the "simple rule of success which, if followed, invariably works" set forth by Albert E. N. Gray, assistant secretary Prudential: "The secret of success of every man who has ever been successful lies in the fact that he formed the habit of doing things that failures don't like to do."

"And that," Mr. Dugdale stated, "is just exactly what you and I and every other businessman in America has got to do from now on, because we are fighting for success against the greatest odds we have ever faced—and whether we realize it or not, we are fighting on three fronts."

"Front No. 1 is our own business front, where we have to successfully fight for the day-to-day preservation of our own businesses against all the rules and regulations and vicissitudes of a wartime economy."

Must Do Our Bit

"Front No. 2 is the war front—the part of it that is on our doorsteps right now—and on that front we have to successfully do our own bit, and more, for civilian defense and, if necessary, don a uniform."

"Front No. 3 is the American front, on which we must successfully fight for the retention of the American system of competitive free enterprise, the system under which this country has become the greatest nation in the world,

with the highest standard of living ever known in all history. Failure on this vital front would nullify success on fronts No. 1 and No. 2."

The success of insurance, Mr. Dugdale declared, "has been due, primarily, to the unrestricted operation of the free enterprise system but compare its growth in the years before and the years since the new deal policies of strangulation have inhibited and restricted the operation of that system."

"Between 1919 and 1932 inclusive, the total of insurance in force—ordinary and industrial—increased about \$67,000,000,000, an average of \$4,800,000,000 a year. But between 1932 and 1940, inclusive, sometimes referred to as 'the years that the locusts have eaten,' insurance in force increased only \$14,641,000,000, or an average of only \$1,600,000,000 a year."

"To be successful on this vital No. 3 front," Mr. Dugdale asserted, "we again must form the habit of doing things that failures don't like to do. We must speak our minds; we must appeal to our elected representatives in Washington; we must write the newspapers, we must become vocal against each and all the vicious attacks upon business; and we must exert the same effort in reselling America to Americans as we exert in selling our insurance, or advertising, or what-not, to Americans."

Duncan is Elected Secretary

Starkey Duncan, John Hancock Mutual, has been elected secretary of the San Antonio (Tex.) Life Managers Club, succeeding R. W. Sinz. The latter is a first lieutenant in the air corps and is attending the officers training school at Miami. Lloyd Silberberger, Connecticut Mutual Life, was elected a director.

AGENCY NEWS

Rutherford Agency Well Ahead for First Half of 1942

The results of the first seven months of 1942 in the James E. Rutherford Seattle agency of Penn Mutual show a long string of gains. The agency is well ahead of its allotment and shows gains over the same period of 1941 of 29 percent in paid lives and 60 percent in paid life volume. In addition, it has shown a consistent gain in insurance in force and at the end of the half year had reached a new high. Its first year lapse ratio is only 2.92 percent. For the past nine months the agency has shown a plus each month over the corresponding month of the preceding year.

Sanford M. Bernbaum, agency supervisor, is leading the organization with \$365,000 paid life insurance for the year to date. Four men, Mr. Bernbaum, R. D. Smalley and D. W. Dewar of Seattle and Fred T. Moore of Yakima, either have qualified for the Washington Quarter Million Dollar Round Table or are producing at a rate that assures qualification long before the end of the year. The agency is ahead of the same period of each of the past five years, although the number of agents is only about one-third what it was three years ago. Of the 13 men now in the agency, 11 are ahead of the same period of last year.

Ted Trautman, well-known publication distribution executive has joined the Rutherford Agency as special agent. Born in Portland, Mr. Trautman has spent his entire business life on the coast. For the past 14 years he has been engaged in publication distribution, and for nine years has been a director of circulation in California and in Washington for the Crowell-Collier Publishing Company.

Prior to entering the publishing field, he was owner and manager of the Great

Northern Brokerage Company in Portland.

Produce For Men in Service

A novel sales contest will be held during September by the Robert N. Waddell agency of Connecticut Mutual in Pittsburgh. Prizes awarded to the winners will be in the form of cartons of cigarettes, which will be forwarded to members of the agency now in the armed services. The contest will be in charge of Robert N. Waddell, general agent, and Lloyd W. Borland, assistant general agent.

Men who entered service from the agency are Maj. George A. Markell, Sergt. Clyde Huston, Yeoman George H. Reitz, Lieut. Edward D. Hemingway and Ensign Carl E. Bubenheim.

Kaul Surmounts Losses

Despite the fact that six of the men that have been recruited by Paul C. Kaul, general agent for Connecticut Mutual Life at Omaha, in the three years that he has been in that position are now in the armed forces, the agency still shows an increase in business over the same period of last year. Although there are fewer full time men in the field than during the past two years, the monthly paid for business has continuously showed an increase over a year ago. One of the full time men, Tom Bodie of Lincoln, Neb., who was a first lieutenant in the Philippines and in charge of a machine gun troop of Filipinos, is reported a prisoner of war along with his entire troop.

Peterson & Peterson Honored

The Peterson & Peterson (father and son) agency of Provident Mutual Life in Seattle has been notified by the home office that for the first six months the agency has moved to first place among the honor offices, having a well balanced performance in both production and persistency. The agency also holds first place of all Provident agencies in percentage of \$100,000 producers to all whole time agents licensed and the agency's paid for business for the first six months of this year exceeded the entire paid for production of 1941.

Powell Honors Agency Leaders

Walter Powell, Georgia state agent of John Hancock Mutual Life, honored the five members of his staff who qualified for the Leaders Club with a dinner in Atlanta. Each of them received war bonds. The agency passed its 1942 quota before June 30. Current business paid for is greater than any previous year and exceeds all previous full years but two. The five honored were: Hyman Morris, Atlanta; E. S. Davis, Macon; Sara W. Sterne, George E. Phillips, and J. A. Osborne, Atlanta.

Hays & Bradstreet 10 Years Old

The Hays & Bradstreet agency of New England Mutual Life in Los Angeles rounded out 10 years on Aug. 1. The agency has instituted a six weeks campaign in the form of golf contest. At the close of the contest it will hold an anniversary banquet and award prizes to the winners.

The delay in the celebration of the anniversary is to permit Eugene Hays,

PROPERTY MANAGEMENT

ENGEL REALTY COMPANY

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agency director at the home office and a former member of the firm, to be present.

The agency started from scratch in 1932, under the name of Hays, Hudson & Bradstreet. In 1938 Mr. Hudson retired and the firm then took its present name. Its members were Rolla R. Hays, Sr., Rolla R. Hays, Jr., Eugene Hays and R. H. Bradstreet. On his appointment to the home office position, Eugene Hays retired from the firm.

FRATERNALS

Fraternalism Aids Social Security

Fraternal life insurance provides down-to-earth protection within the reach of the average American which is safe, sound, flexible and well designed to tie in with federal social security, Walter C. Below, president Fidelity Life, declared in a paper on social security and the fraternal certificate issued by the National Fraternal Congress as a part of its public relations program.

"Social security, at its best, is limited in scope," he said. "In combination with the right fraternal life insurance certificate it can be made a 'stepping-stone' to a happier life.

"Perhaps one of the most important roles a life insurance contract could play would be to supplement any social security income beginning at age 65, income which would be limited at the most. If, for instance the social security benefits were \$30 a month, an additional \$40 or \$50 a month from a fraternal life insurance contract could mean the difference between a happy or an unhappy life after 65.

Other Ways It Can Function

"There are still other ways in which fraternal life insurance can help. For instance it is not at all improbable that a widow under the act might be left with a lot of unpaid bills. Fraternal life insurance, in the form of a cleanup fund could clear up these bills. Or a man might wish to be sure of a college fund for his children. Fraternal life insurance could guarantee a college education for them. Or there might be some special emergency where cash is needed. Fraternal life insurance could provide the cash. None of these eventualities are met under the present social security act."

He pointed out that a widow under the act would receive an income until the youngest child reached age 18 and then there would be a gap until her age 65. But if they should die at any point her income would stop. Life insurance could well be secured for bridging this period. Then too, social security does not care for widows under 65 if they have no dependent children under 18.

Question of Disability

An important part is that social security is built up from taxes on salaries which might be terminated by disability. Fraternal life insurance can be provided to give protection during temporary or permanent disability. Finally, there are millions of persons who are not covered by the act, many being specifically excluded. These are prospects for fraternal life insurance.

Washington State Congress Holds Fraternal Day

Washington State Fraternal Congress participated in a "Fraternal Benefit Society Day" at Seattle. Many societies made large war bond purchases, including Maccabees, \$50,000, C. M. Burns, state manager; Woman's Benefit, \$50,000, Mrs. Kathryn Bowen, state field director; Woodmen Circle, \$50,000, Miss Fern Bauersfeld, state manager; Polish National Alliance, \$50,000, Stanley Kaminski; Neighbors of Woodcraft, \$100,000, Mrs. Violet Lundstedt, president,

Washington State congress; A. O. U. W. of Washington had purchased \$50,000 just before the special day, so was not eligible to purchase more bonds of the issue.

Mrs. Lundstedt gave an address.

Subordinate lodges of member societies and individual members subscribed a large sum.

North Star Benefit Holds Meeting at Moline

North Star Benefit of Moline, Ill., will hold its grand society meeting at the head office Aug. 17-18. The society is in its 43rd year.

Foster F. Farrell, manager of the National Fraternal Congress, will extend greetings from that organization.

Sell \$2,000,000 in "Birth Month"

The July "birth month" sales campaign of Unity Life & Accident resulted in more than \$2,000,000 of new business. During the last 10 days two war bonds were given away each day, and on the last day there was a "double daily double" with four bonds awarded to four sales representatives who sent in business on that day.

New Policy in 75th Year

Catholic Family Protective Aug. 16 will enter its 75th year, and in commemoration of the event is offering for the one year only a "family protector" policy. This will be written only in the amount of \$7,500 and will cover the assured for that sum until his 75th birthday. If the member lives beyond 75 years he will receive \$25 per month life income; 100 months certain.

RECORDS

Ohio State Life—Reports gain of 29 percent in paid for insurance in July compared with last year, with 36 percent of the policies issued in July taken out by women. The home offices agency, of which R. G. Leuzinger is manager, ranked first in July. Toledo was second, and Springfield third.

Bankers National—July paid-for business showed an increase of 211 percent over the same month last year. Although rate increases which have already gone into effect were partly responsible for this showing, new applied for business up 80 percent. For the year to date, the company is 32 percent ahead.

L. S. Brown, general manager Pennsylvania Underwriters Agency of Pan-American Life, Pittsburgh—Reports substantial increase in paid production for July. With \$265,000 of new paid-for business, the agency ranks among the first three of the company. For 30 years the Pennsylvania organization has been one of the leading agencies of the company and is pointing toward an outstanding record in production this year.

Lamar Life Club Officers

Officers of the All Star Club of Lamar Life this year are: W. C. Buckley, Jackson, Miss., president; E. W. Crowley, Monroe, La., W. E. Watts, Brookhaven, Miss., and R. P. Scott, Laurel, Miss., vice-presidents. War bonds were awarded the All Stars instead of expenses to the annual convention. The convention was canceled on account of war.

Winners of conservation medals during the All Star contest year are: Howard W. Gober, Jackson, Miss., first; W. S. Hunt, Sturgis, Miss., second, and Mark J. Howell, Wabash, Ark., third.

Republic National First Aid Class

Republic National Life graduated 25 members of its home office personnel in Red Cross first aid in the August class. Dr. Guy Denton, Sr., taught the class in the home office building. Several other employees had taken the course previously.

NEWS ABOUT LIFE POLICIES

Give July 1 Dividends of North American, Canada

Illustrations from the new dividend scale of North American Life of Toronto are given in the table below. This company began issuing annually participating policies in 1924. From the scale adopted at that time, three increases were made, in 1927, 1928 and 1930. Slight reductions were then made in 1932, 1933 and 1934. A new scale was adopted July 1, 1935, which was an approximate 10 percent reduction from the 1934 schedule of dividends. This was continued to July, 1940, when a slight reduction was put into effect. In 1941, there was no change for the first 10 policy years but the scale was set back one year thereafter. July 1, 1942, a new scale was adopted which, in general, is a reduction from the 1941-1942 scale.

Dividends End of Following Years

Age Prem.	1	5	10	15	20
Life Preferred—\$5,000					
15	\$ 65.20	\$4.35	\$ 8.55	\$11.90	\$14.75
25	83.40	4.70	9.95	14.45	18.35
35	112.50	5.15	12.05	18.10	23.20
45	163.50	6.05	15.50	23.40	29.60
55	252.90	7.50	20.40	30.40	37.50
65	420.90	9.95	28.05	40.50	48.10

Age Prem.	1	5	10	15	20
Life Paid-Up at 85					
15	\$ 14.78	\$0.79	\$ 1.77	\$ 2.61	\$ 3.34
25	18.66	.98	2.19	3.27	4.22
35	24.92	1.29	2.93	4.31	5.49
45	35.86	1.81	4.05	5.85	7.26
55	55.28	2.73	5.88	8.19	9.83
65	91.24	4.36	9.02	12.11	14.32

Age Prem.	1	5	10	15	20
20 Payment Life					
15	\$ 22.62	\$0.81	\$ 2.26	\$ 3.64	\$ 4.92
25	27.22	1.01	2.73	4.40	5.96
35	33.68	1.32	3.48	5.47	7.31
45	43.78	1.83	4.55	6.93	9.02
55	60.46	2.75	6.22	8.95	11.19
65	91.24	4.36	9.02	12.11	14.32

Age Prem.	1	5	10	15	20
20 Year Endowment					
15	\$ 44.98	\$0.88	\$ 3.66	\$ 6.57	\$ 9.45
25	45.66	1.06	3.88	6.82	9.71
35	47.24	1.36	4.33	7.26	10.12
45	52.06	1.86	5.08	8.06	10.86
55	64.16	2.76	6.46	9.50	12.17
65	92.16	4.36	9.08	12.27	14.69

Age Prem.	1	5	10	15	20
Endowment Age 65					
15	\$ 17.04	\$0.80	\$ 1.91	\$ 2.91	\$ 3.80
25	22.48	1.09	2.43	3.77	5.00
35	32.08	1.31	3.36	5.26	6.98
45	52.06	1.86	5.08	8.06	10.86
55	109.30	2.90	9.39	16.13	20.77

Age Prem.	1	5	10	15	20
Guaranteed Life Income at 65—Male					
15	\$ 20.34	\$0.81	\$ 2.12	\$ 3.34	\$ 4.46
25	27.54	1.01	2.75	4.44	6.02
35	40.34	1.34	3.90	6.35	8.69
45	67.28	1.91	6.04	10.13	14.23
55	149.20	3.01	11.86	21.50	29.77

Age Prem.	1	5	10	15	20
Guaranteed Life Income at 60—Female					
15	\$ 26.86	\$0.83	\$ 2.53	\$ 4.19	\$ 5.78
25	38.22	1.04	3.42	5.84	8.19
35	59.74	1.40	5.12	8.92	12.72
45	111.96	2.04	8.87	16.20	25.45

New National Aid Policy

A policy designed to tie in with the social security act, has been introduced by the National Aid Life of Oklahoma City. This contract provides \$1,000 protection to age 65, at which time premium payments cease, and the policy becomes paid up for \$300. Waiver of premium disability and double indemnity benefits may be added. The policy carries the usual non-forfeiture

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values. Premiums without disability or double indemnity are as follows:

Age Prem.	Age Prem.	Age Prem.	Age Prem.
15....\$11.55	29....\$15.18	43....\$23.54	
16.... 11.77	30.... 15.62	44.... 24.53	
17.... 11.99	31.... 15.95	45.... 25.52	
18.... 12.21	32.... 16.39	46.... 26.73	
19.... 12.43	33.... 16.83	47.... 27.94	
20.... 12.65	34.... 17.38	48.... 29.26	
21.... 12.87	35.... 17.82	49.... 30.80	
22.... 13.09	36.... 18.37	50.... 32.45	
23.... 13.31	37.... 19.03	51.... 34.32	
24.... 13.64	38.... 19.58	52.... 36.30	
25.... 13.86	39.... 20.24	53.... 38.61	
26.... 14.19	40.... 21.01	54.... 41.14	
27.... 14.52	41.... 21.78	55.... 44.22	
28.... 14.85	42.... 22.55		

Demand for Definition of Inflation Stops Objection

Asking the prospect to define or describe inflation is an effective way to counter the inflation objection to buying life insurance, it was reported at the August meeting of the Keystone Group of the Life Insurance Advertisers Association at Philadelphia. This came in a round table discussion of field morale.

Members representing Penn Mutual said their company recently asked successful field men how they were operating under wartime conditions.

A number of members said their companies are today advising their field men to stay away from war plant workers unless they come upon them through their regular referred-lead prospecting method. A suggestion was to find where the workers spend their money and hunt for prospects there. New agents are not worried by changed conditions and are doing well.

Using the American war experience in 1917-18 and the Canadian experience in the present war, members predicted sale of new insurance will begin a substantial rise the last half of this year.

Carroll Frey, editor Penn Mutual "News Letter," is chairman of the group. C. P. Mayfield, manager of publicity of Fidelity Mutual Life, presided at the meeting.

May Not Name Successor to Harris

It is doubtful that a successor will be appointed to Will Harris, who was chief examiner in the Tennessee department and has now become an official of Cosmopolitan Life of Memphis. Commissioner McCormack has always looked after the assignment of examiners and Deputy Commissioner Tom Miles assisted in checking the examinations reports.

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INDUSTRIAL

Women Succeed As Industrial Agents In Nashville

NASHVILLE — An experiment in using women as industrial agents has proven a "complete success" after more than 12 months' trial, according to Mike Goodwin, manager Cosmopolitan Life here.

Foreseeing a probable shortage of men agents more than a year ago, Mr. Goodwin employed his first woman debit collector and salesman, eventually adding seven others, with the probability that an agent who died recently will be replaced with the ninth woman employee. Altogether Mr. Goodwin has a staff of 41.

The women on the Cosmopolitan staff are all mature with ages ranging from 30 to 40 years. Each, when added to the staff, have been given exactly the same training as the men and have developed with the training possibly a bit faster than the men, according to Mr. Goodwin. They are proving even more responsive than the men in the inspirational staff meetings and are readier to use selling aids.

Good on Home Contacts

Although the women agents have been assigned only to residential and suburban debits, Mr. Goodwin sees no reason why they could not handle any type of collection debit as they are successfully selling all over the city. The eight women have each developed home contacts with much success. Since collections are almost invariably made in daytime, many housewives prefer women agents.

Although the leading producers in the Goodwin agency are men, the total sales of the eight women compare favorably with total sales of any group of eight of the men agents. Their approach in selling may not be as effective as good men insurance salesmen, but their better understanding of important conditions within the homes even up the advantages almost completely. Women are quicker than men in sizing up economic conditions within the family and are ready to seize upon favorable developments. In sensing the approach of the stork with new prospects for insurance, the women simply cannot miss. With insurance companies proposing to insure whole families, such an "inside" knowledge of the home is indispensable.

Seek More Gasoline for Rural Debit Men

Efforts to obtain more gasoline for approximately 10,000 rural industrial agents, who serve more than 7½ million policyholders, were made by a committee at a conference with the fuel rationing department, Office of Price Administration in Washington. President F. F. Leith of the Industrial Insurers Conference was a member of the committee.

The picture painted by Chief Joel

Dean of the fuel rationing department is not considered bright. Mr. Dean advised the committee that he would grant it another hearing within a month, at which time the department chief will have more information as to the gasoline supply. Mr. Dean made it plain that he thought the request of the companies had a great deal of merit. He urged the members of the committee to impress upon the companies the need to do everything in their power to have the policyholders cooperate and, if possible, to send their premiums to the company offices or to make the payments monthly instead of weekly.

New York Life Lists Top Club Rolls

(CONTINUED FROM PAGE 3)

business is vice-president of the mid-west department. He started with the company as a clerk in the Sioux City office, leaving in 1922 to enter the field.

G. B. Guston, New England branch, through \$408,273 production becomes vice-president of the northeastern department. He follows a carefully planned system of time control.

W. A. Leavell of the Jackson, Miss., branch is made vice-president of the Gulf central department by producing \$403,099. He lives at Meridian, Miss.

H. H. Ruvlin of the Albany, N. Y., branch is vice-president of the eastern department, paying for \$400,125. He lives at Schenectady, N. Y.

Eugene Kendall of the Oklahoma branch is vice-president of the southwestern department producing \$394,876. He lives at Norman, Okla., home of the University of Oklahoma, of which he is a graduate.

C. G. Scheid of the Cleveland branch, producing \$378,679, becomes vice-president of the great middle department. He is a graduate of the University of California at Los Angeles and was born at Huron, O.

Coast and Southern Chiefs

Irving Levitin of the Seattle branch is vice-president of the North Pacific department, producing \$375,341. J. E. Josephs of the Charlotte, N. C., branch is vice-president of the southern department, his production being \$353,254. He is a graduate of the University of North Carolina.

L. H. Cheney of the Pasadena branch is vice-president of the South Pacific department with production of \$336,324.

Coy Jay of the Johnstown, Pa., branch is vice-president of the Allegheny department. He produced \$279,642. He has completed 226 consecutive months in the ten-a-month honor roll.

President Freed is a member of the Million Dollar Round Table. His \$900,000 produced under club rules during 11 months of the club year is a greater amount than was secured by either president of the Top Club for the two previous full length club years.

The New York Life states that there are more members in all of the clubs than there were in either 1940 or 1941. Each of the five vice-presidents-at-large won his position with a greater individual volume of business than was secured by the corresponding officers in either 1940 or 1941. This year the combined paid business of 24 Top Club officers including the chairman of the

club board and the 17 department vice-presidents exceeded the corresponding combined totals of 1940 and 1941. The increase was 14.2 percent over 1940, and 4.6 percent over 1941.

Mr. Lucas, first vice-president-at-large, hailing from South Dakota, which has practically no war industries, has qualified for the Million Dollar Round Table.

Ten Candidates For Trustee Posts

(CONTINUED FROM PAGE 1)

N. C., who is the only announced candidate for secretary; James E. Rutherford, who has been appointed by the trustees to the new position of chairman of the board of trustees subject to confirmation next week, and E. H. Schaeffer, Fidelity Mutual, Harrisburg, Pa., who has announced that he will not seek reelection.

In addition to Messrs. Roberts, Reed, Baumann and Dunnavan the other candidates are: E. J. Dore, Mutual Benefit Life, Detroit; H. C. Lawrence, Lincoln National Life, Newark; Glen McTaggart, Prudential, St. Louis; Clifford Orr, National Life, Philadelphia; B. J. Stumm, Northwestern Mutual Life, Aurora, Ill., and Sidney Wertimer, Prudential, Buffalo.

It is assumed that Grant Taggart, California-Western States Life, Cowley, Wyo., will be advanced from vice-president to president succeeding John A. Witherspoon and that Herbert A. Hedges, Equitable Life of Iowa, Kansas City, will be advanced from secretary to vice-president.

Of the candidates for trustee, seven are general agents or managers and three are personal producers, they being Messrs. Dore, Dunnavan and Reed.

Will Issue War Times Sales Editions

(CONTINUED FROM PAGE 1)

tion for the business is needed today perhaps as never before; that the producer who is faltering in the face of war time conditions could be strengthened if there were gotten together the advice and experience of men who are succeeding and who are helping to make others successful in days when so many are discouraged and confused. Hence we are publishing next week three special editions which will cover the important news of the convention but which will do much more than that constitute a rich vein of war time selling ideas and messages. In fact the dailies might be called war time sales editions. The editors have searched out men who are today successful and who are keeping out in front, men of judgment and vision. It is a book composed by the industry and merely ar-

ranged by the editors. It contains thoughts from the home office, general agents and rate book men.

The fact that the convention is being held and that a periodical publishing task was at hand created the motivation to gather together these messages and we have the highest hopes that they will fall upon grateful eyes and provide a real tonic.

An Answer to Pessimists Given by Abner Thorp

(CONTINUED FROM PAGE 2)

merce Commission." Yet, probably no important executive of the railroads would today voluntarily wish to be returned to the former days of preferential freight rates, universal passes and the condition of "freedom" under which Jay Gould and his gang could play football with the Erie Railroad to their heart's content without the interference of anyone.

And what was the attitude of stock exchange officials at the time of the creation of the Federal Securities & Exchange Commission? And can we not expect that the attitude of realistic and far-sighted financiers may in the future parallel that of railroad officials when the S.E.C. has gotten over its growing pains?

May Be More Federal Control

Suppose that the government in coming years actually does exercise some control over the investment of life insurance funds, requiring a larger percentage of investment in federal bonds and possibly imposing some control upon the distribution of insurance assets in accordance with community needs for financing. Will this necessarily mean that the life companies will be less secure? Are the banks any less secure because of federal control and the federal guarantee of deposits? And will the policyholders' funds be any less secure because they have, in addition to the private guarantee of the companies, the guarantee of the federal government?

Nevertheless, no matter whether we have such "control" or not, if we can judge the future by the past, the institution of private life insurance will have sufficient vitality and flexibility to adapt itself to these changes as it has adapted itself to all of the drastic shiftings of our economic situations of the last fifty years.

(It is suggested that readers peruse Mr. Thorp's recently published brochure, "Life Insurance in War Time," especially pages 52, 53, 54, 55, 56 and 57.—Editor.)

Great-West Has War Atlas

Great-West Life has made available to its agents on a part cost basis a fine atlas, showing the war fronts and late map changes. The agents have had charge of their own distribution of the atlas, and reports indicate that it is being very favorably received.

✓ Check the POINTS OF EXTRA PROTECTION

Continental American

LIFE INSURANCE COMPANY

WILMINGTON, DELAWARE

A. A. Rydgren, President

Max S. Bell, Agency Vice President

DOG DAYS

Even during the banner vacation months, the NEED for life insurance protection continues. During July Alliance Life Fieldmen found that modern life insurance merchandising methods bring increased business. So instead of Dog Days Alliance Life Fieldmen are enjoying App-Days.

B. T. KAMINS, Agency Director

UNEXCELLED REINSURANCE SERVICE

Life
Accident
Disability
Substandard

R. E. BUTTON, Reins. Secy.

ALLIANCE LIFE INSURANCE CO.

Executive Offices

750 N. MICHIGAN AVE., CHICAGO

Sales Ideas and Suggestions

Prospects Need Pre-Selecting During This Particular Time

The agent who is looking for a special situation requiring life insurance, making an intelligent effort, and using his imagination is the man who is successful today in life insurance. C. Preston (Pep) Dawson, general agent New England Mutual, New York City, said in answer to a question of what characteristics a man must have to be successful in selling life insurance. The average producer can no longer rely on the law of averages to make sales for him if he interviews a given number of prospects without first carefully pre-selecting them because it will no longer pay off, he stated.

Agents in the Dawson agency have been trained to use their imaginations and look for prospects in the middle income brackets who have minor children in their families. To meet such people requires time and agents are encouraged to think more acutely of specific situations.

Imagination Should Be Employed

Just recently, Mr. Dawson analyzed 30 of the latest sales in his office, finding that there were only seven cases where the prospect could be related directly to defense work. By far the majority of cases were placed on new prospects and there was only one case of replacement with term insurance.

Mr. Dawson urges his agents to read their alumni papers and newspapers closely for promotions, births, new businesses, new homes, firms receiving government contracts and other events which would indicate a life insurance situation.

Here were some of the situations in the 30 cases analyzed: Key man insurance on two lives; births; college education; insurance to cover loans; group insurance in new advertising agency; \$120,000 case on vice-president of large corporation; women living on investment income; partnership insurance; sales manager farm implement company; branch manager plumbing concern; lunch business proprietor; recent marriage; mortgage cover; hosiery salesman—a representative group which might

appear at any time. In all of the cases except one, income was above \$3,000.

Typical of this "situation" prospecting is the case of an agent who obtained a list of 150 recent home purchasers. For the salaried man, Mr. Dawson believes



C. PRESTON DAWSON

that this "spot selling" is the solution of a production problem. He also feels that there is a good market in the higher income brackets where the prospect has accumulated considerable property other than insurance for the man who has the ability to make these contracts on a programming basis.

Mr. Dawson has no blanket system of time control in his agency. He does, however, have a talk with each man at the beginning of the year and individual production requirements are set up based on the standard of living for the agent concerned. The agency has three production club activities during the year and an award is given in each and for a perfect score in qualifying for all three.

the last nine years he was in business in three different localities away from Columbus and so did not have an abundance of contacts when he started. We thought we would try the idea of starting him out working entirely on people in defense industries. After the necessary preliminaries he and the supervisor started out working the night shift. The supervisor worked with him five nights a week, for three weeks, and after then occasionally. The results of this effort up to April 20 were 18 applications for \$87,000, an average case of \$4,870. The supervisor saw some of the possibilities and began working on some alone. He closed six cases, for \$26,500.

Occupational Classes

"I give you 24 cases, by occupation as follows: Five machinists, four foremen, five toolmakers, one inspector, three drill press operators, two draftsmen, two engineers, one clerk, one installer. The average insurance previously owned was about \$2,000. The average policy purchased was \$4,870. This is higher than the agency average for last year and higher than the company average as well.

"To get prospects, you start with a list of names. You can get 15 or 20 names in a plant from personnel directors, officers and others, and incidentally we are contacting individuals with incomes as high as \$130 a week. The new man went through his old high school annual and checked the names with the directory and found a few working in defense plants. Then he went through the city directory and got some listed as machinists. He even checked numbers on automobiles and ascertained the names of the owners. Direct mail circularization was started. Many turn-downs were received, but many new names were added; 'suspects' began to turn into 'prospects' and 'prospects' began turning into sales.

Kind of Insurance Bought

"Of the 24 cases listed, 18 are retirement income at 60 or 65, and six are ordinary life or limited payment or some other form. We have found that these prospects are very much interested in saving money, but certainly not very much insurance-minded. Therefore, our whole sales talk is based on our Connecticut Mutual savings plan, which is, of course, the retirement income. All we stress is the retirement values, emergency funds, disability, and a supplement to social security. We use a visual sales chart and have found it important to have 'mamma' in the picture as in most cases she handles the purse strings. Of the 24 cases analyzed, five were sold on the first interview; the rest on the second interview. We urged the prospects to buy war bonds, but pointed out how life insurance is doing the same kind of a job, besides building an immediate estate as well.

Illustration Is Given

"If the prospect insists that all of his savings should go into war bonds, we show him our special defense retirement plan, which is simply a combination of ordinary life and war bonds—converting the ordinary life to retirement income when the bonds mature, or at any year in fact, thus getting the advantage of an annuity income at retirement age, disability protection in the meantime, and still doing a patriotic duty by the purchase of war bonds. With our company it works out this way:

"Age 35, \$10,000 retirement income at 65, premium \$415.30; buy \$10,000 or-

Sales Suggestion for the Week

Life insurance men who live in the smaller cities and towns but are rather close to rural territory are finding it very profitable to work among the farmers. Many of these agents have not had farm experience. However, they have received some ideas from the head office and the agency department. They have been coached to some extent by their general agents. The farmers are making money. They have been taught to save and are interested when someone can approach them on a proposition that has a special personal appeal. Furthermore, the agents who have been working entirely in cities discover that farm soliciting broadens their outlook. It is a refreshing change.

dinary life, premium \$263.50; buy eight units of \$25 bonds all year, cost \$150.

End of Year	Redemption Value of Bonds	Cost of Conversion
1	\$ 150.96	\$ 159.39
3	459.92	438.70
5	783.92	761.30
7	1,127.92	1,111.10
9	1,503.92	1,491.00
10	1,703.92	1,693.30

"That is a salable combination with any kind of prospect.

What Are the Difficulties?

"Now what are the difficulties? Difficulty of seeing the prospect; difficulty of getting interviews, practically all night work.

"Income taxes have had many people groggy for a couple of months. Many are making more money than ever before; they also are paying higher taxes, but still a large number have a greater marginal income. Practically everyone with a programmed estate needs to increase his clean-up fund, if for no other reason than to take care of income taxes due. Increased living costs add more responsibilities and call for increased estates. Approximately 10 percent of the doctors and dentists in Ohio are now in the armed forces and a great many more will have to go. That puts an additional burden on those remaining."

Loder Gets 15 "Apps" Through Evening Calls

LINCOLN, NEB. — Merle Loder, Lincoln general agent of Mutual Life, by embracing the opportunity offered by the location near his home city of a federal air base, wrote 15 applications in one month, all secured in the evenings after the workers had gone home, for an average of \$2,480. He had never before met any of the prospects, but wrote 12 of them in the first interview and the other three on the second call. Cash payment accompanied 11 of the applications.

Mr. Loder buys from a local credit company a list of all new government employees who have come to town, and with this can tell at a glance what they are earning. Other prospects' names were secured from those to whom sales were made. During the month he spent an average of two hours mornings studying for his C.L.U. examinations, which he has just passed. In the afternoon he took care of office details, delivered policies and made his regular calls. He says he lets nothing interfere with evening calls six evenings a week.

Success Achieved With Increased Wage Earners

COLUMBUS, O.—The great increase in marginal income of the so-called worker group has made people in that group excellent prospects for life insurance. Leonard L. Lens, general agent of Connecticut Mutual Life in central Ohio, has found.

"In whatever period it occurs, war creates essentially the same problems, the same hardships, the same sacrifices," Mr. Lens says, "and whether in peace or war, the family and not the individual is the unit of society. A broken and dismembered family is a broken brick in the house of democracy. A bankrupt family at the death of the breadwinner places an additional burden on an already heavily-taxed government. In war, the hazards of life are greatly increased—the widespread dislocation of business and industry makes the average individual's estate less secure, and if it is above the federal and state exemptions its shrinkage by taxes is inevitable. Certainly life

insurance exemplifies the democratic ideals of individual enterprise and responsibility, and it is the greatest independent guardian of the social and economic welfare of the citizens of the country.

"Today we find some 40,000,000 classed in the worker group with the largest marginal income they have ever experienced—and by marginal income I mean the excess over living costs—the part with which a man buys life insurance. That has come about, of course, through the tremendously increased wages, cost of living rising more slowly, and a curtailment by government of the purchase of many commodities. That is the largest group of prospects ever dumped into the hopper in a rather short space of time that I have ever heard of. The question is: Are they good prospects? Are they prospects for all life underwriters?

In January a new man came into our agency, a graduate of Princeton. For

Buckner, Retired N. Y. Life Head, Dies

(CONTINUED FROM PAGE 4)

pany's 95th anniversary, home office employees presented to Mr. Buckner a 60th anniversary testimonial book containing the signatures of the 5,000 employees at the home office in the form of an endowment policy. The testimonial paid tribute to his many years of unremitting labor, wise guidance and faithful devotion to the best interests of New York Life. Agents and agency men honored Mr. Buckner on that occasion by preparing a "Memory Book" running to many volumes and containing a personal message from each of the company's 8,000 agents. These volumes were among Mr. Buckner's most prized possessions.

Persuaded Grover Cleveland

Mr. Buckner had the ability to turn his selling genius to other fields than insurance when that proved necessary. An outstanding example was the part he played in persuading Grover Cleveland that he should accept the post of head of the newly organized Life Presidents Association. Public confidence in life insurance was at a low ebb because of the revelations of the Armstrong investigation and it was felt essential to obtain the leadership of a man of outstanding national reputation. A man of great integrity, Mr. Cleveland hesitated to accept the post on the ground that he didn't see how he could be worth the \$25,000 a year salary that he was offered.

Outlining a hypothetical case, Mr. Buckner asked Mr. Cleveland what his fee would be as a lawyer for handling such a case. Mr. Cleveland named a substantial figure. By putting the proposition in that way, Mr. Buckner had no difficulty in convincing Mr. Cleveland that the proposed salary was entirely appropriate.

Another example of Mr. Buckner's persuasive abilities concerned the governor of Kansas. The governor had a New York Life policy and became irritated at some feature of it and declared he was going to have that type of contract outlawed in the state of Kansas. Mr. Buckner, then a young man, was given the job of persuading the governor that the policy was all right and there was no ground for dissatisfaction. Mr. Buckner succeeded not only in calming the official's agitation but got him to write a letter on official stationery enthusiastically endorsing that particular type of contract. As a final touch, Mr. Buckner asked if he would put "one of those big gold seals" at the bottom of it and the governor added that, too.

The Life Presidents Association was represented at the funeral of Mr. Buckner by the following committee: Frederick H. Ecker, chairman of Metropolitan Life; Col. Franklin D'Olier, president Prudential; John R. Hardin, president Mutual Benefit Life; Thomas I. Parkinson, president Equitable Society; Alexander E. Patterson, executive vice-president Mutual Life; Vincent P. Whitsitt, manager and general counsel, Life Presidents Association.

WAS VERY GENEROUS

Though he shrank from any sort of recognition as a philanthropist, Mr. Buckner was one of the most generous of men, giving away a large share of his substantial income to those whose urgent needs came to his attention. Probably no one will ever know how many youngsters he put through college or how many persons he financed during some personal pecuniary crisis.

Mr. Buckner was probably the only insurance executive who was a witness at the Armstrong investigation of life insurance early in the present century and also at the more recent Temporary National Economic Committee investigation in Washington. On both occasions his directness and evident sincerity made a strong impression on the investigators, which was reflected in their attitude in questioning him.

Mr. Buckner was born in 1865 at Bloomington, Ill. His parents had moved there to escape the depredations of civil war guerrilla bands but later moved to the family's old home, Paris, Ky., and then moved on to Independence, Mo. Here "Tom" first showed his ability at organization by forming wood-sawing clubs which made a virtue of necessity and demonstrated his philosophy that work is drudgery or pleasure, according to how you go about it.

Wood-Sawing Made Easy

Sawing and splitting wood for the kitchen stove was one of the most irksome chores for the boys of that era.

"I decided to organize a wood-sawing club," Mr. Buckner said years later in recalling this period of his boyhood. "We worked nights so as not to interfere with our other pleasures. Each boy brought a lantern to hang up around the woodpile and we went to it with axes, saws and bucks. We hooked some apples and cookies for refreshments and had a royal good time. The wood-sawing bees went on until we had sawed up all the wood in the neighborhood and called for more. That taught me that work can be turned from drudgery into pleasure."

Young Tom's activities also included driving cows to pasture, working in the garden and selling lemonade. His biggest venture however was the sale of watermelons. He would walk out to the edge of town, climb up on a farmer's wagon and make a deal for the load of melons on the way into the town square. He would then display them in a conspicuous place, and selling on the unusual plan of charging only five cents a melon if he made the choice but ten cents if the customer made the selection. Whatever melons were left unsold at the end of the day he and his brothers and friends disposed of with relish at home.

Moved to Milwaukee

Mr. Buckner's father, who had successfully operated a girls' school at Independence, took up life insurance as an agent and eventually became general manager of New York Life for Wisconsin, Iowa and the Dakotas with headquarters in Milwaukee. "Tom" Buckner was 15 when he started with the agency as an office boy at 20 a month, of which he paid \$15 a month for his board at home.

The office manager was a Scotsman who was thrifty in everything except time. The result was that Tom needlessly spent long hours at his office work but he soon cut down the overtime by classifying and cataloguing all the printed forms and developing a time-saving system for reporting business to the home office. This gave the young man more time to sell life insurance, at which he rapidly became adept.

Funeral services for Mr. Buckner were at Riverdale Presbyterian church Monday afternoon. Interment was at Kensico cemetery. The home office was closed Monday afternoon.

Mr. Buckner is survived by his widow, Mrs. Myrtle Lewis Buckner, a brother, S. O. Buckner of New York City, a daughter, Mrs. Loring Washburn of Greenwich, Conn., a son, T. A. Buckner, Jr., assistant secretary of New York Life, and six grandchildren.

The New York "Times" carried the following editorial on Mr. Buckner:

"Thomas A. Buckner was one of the great business builders of his generation. Yet his career was not quite the

typical American success story. His whole effort was devoted to the success of his company. For 60 years, from \$20 a month office boy to president and chairman of the board, he served as a dynamic influence within the New York Life Insurance Company, which finally brought its policy sales to nearly a billion dollars a year.

"Mr. Buckner's strength was not merely his belief in insurance as a normal investment for every American family. Perhaps he got that from his father, a midwestern school principal who turned eventually to insurance selling. Even as a boy young Buckner began to experiment with cooperative ideas and novel sales methods. There is a pleasant legend of how he solved the neighborhood wood-box problem by organizing a youthful sawbuck group which worked by lantern light to conserve daytime play hours. Watermelons bought wholesale from farmers were peddled for a dime if you picked one and a nickel if he picked it. Either on his own or heading a team he knew how to sell. During his first year as an agent in Ottumwa, Ia., he sold \$250,000 in policies, a phenomenal feat in those days. His innovation of 'sales clubs' is now standard in most large organizations. After he succeeded the late George W. Perkins as head of his company, underwriting increased almost five times. But he never forgot that insurance was not only a business but a trust. As chairman of the board he shaped his policies with the advice of a former President, Herbert Hoover, and a former governor, Alfred E. Smith. It is because of broad-visioned men like Thomas A. Buckner that citizens of the United States now hold more insurance than all the rest of the world put together."

Harrison to Liberty Agency

E. Randolph Harrison has been appointed manager of the planned estate service in the life department of the Liberty Insurance Agency, Louisville, which is now representing Massachusetts Mutual Life through the W. Scott Smith agency in Louisville. Mr. Harrison was formerly Louisville manager of Home Life.

The agency also represents Jefferson Standard and the Provident Life & Accident.

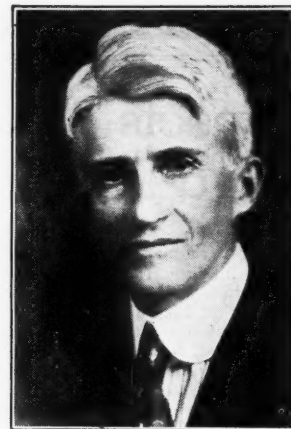
Harry L. Hamilton, supervisor of Home Life, is looking after its affairs in Louisville until a new manager is appointed.

Coffman Named in Wichita

Columbian National Life has appointed Robert F. Coffman general agent in Wichita, Kan. He succeeds Hal Johnson, who was forced to resign because of ill health, but who is recovering and will be actively associated with Mr. Coffman.

Mr. Coffman has had more than 10 years experience in the business. He was assistant superintendent of Prudential from 1934.

Rounds Out 40 Years With Pacific Mutual



L. W. MORGAN

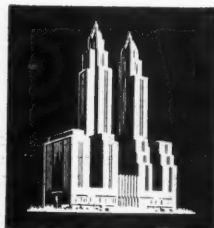
Vice-president L. W. Morgan of Pacific Mutual Life is celebrating his 40th anniversary with the company. He started in 1902 with a rate book, later was called to a home office post in the accounting department, served as cashier for the Los Angeles agencies and held supervisory positions in the renewal, policy loans, and life maturity departments. In 1916 he was transferred to the new issue department and soon thereafter was made superintendent of that department. He was successively elected assistant secretary, junior vice-president, and vice-president and now in addition to his duties as vice-president in charge of underwriting, serves as chairman of the home office management committee.

His father, A. W. Morgan, was in life insurance work just 40 years. Mr. Morgan Sr., became chief accountant of Ministerial Life in 1896, joined the Conservative Life shortly afterward and in 1900, through a merger, became comptroller of Pacific Mutual, continuing in that capacity until his retirement in 1936.

Alabama in Force at High Mark

BIRMINGHAM, ALA.—Life insurance owned by Alabamians reached the highest figure in the state's history in 1941, according to the annual report of the Alabama bureau of insurance. The grand total in force as of Dec. 31, 1941, including ordinary, group, industrial, fraternal and mutual aid, reached \$1,315,537,607, an increase of \$238,076,521 over 1940. Life insurance premiums in 1941 totaled \$41,873,258, while payments to beneficiaries and policyholders totaled \$15,139,909, divided as follows: ordinary, group and industrial, \$12,316,101; fraternal benefit societies, \$813,400; mutual aid companies and associations, \$2,010,408.

It's a Waldorf Policy



Much more for little more is an accepted Waldorf policy. You pay no premium for unusually large rooms, skillful service, the finest of food. Your comfort is assured at all times. Men in the insurance business find only one liability about The Waldorf...they are tempted to stay too long.

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THE MOST EXTENSIVELY AIR-CONDITIONED HOTEL IN THE WORLD

Reveille to VICTORY

"Good morning, 7 o'clock" awakens you from a pep-restoring sleep on an inner-spring mattress in noise-proofed, air-conditioned room at...

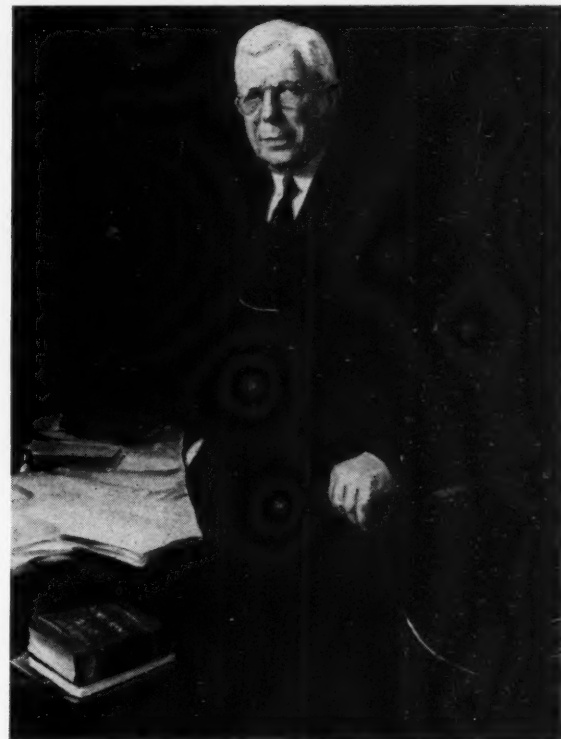
HOTEL Mayfair ST. LOUIS
Over 50% of all rooms \$3.75 or less single



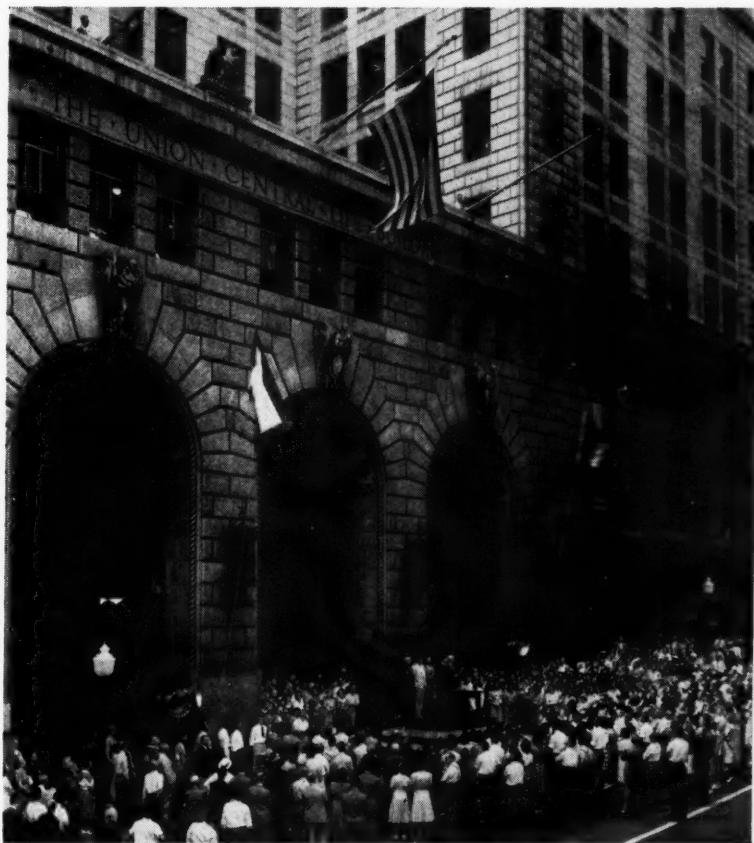


Officers and committee chairmen of Missouri Association of Life Underwriters: Seated (left to right) W. L. Coonrod, Northwestern National, Springfield, first vice-president; Frank Vesser, Reliance Life, St. Louis, new president; Jess W. Moore, Mutual Life, Springfield, chairman educational committee.

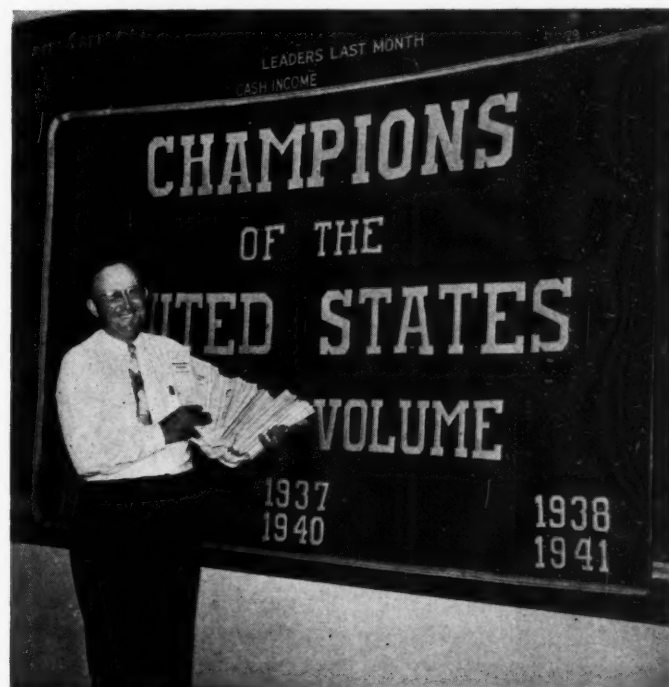
Standing, Prewitt B. Turner, Home Life, Kansas City, outgoing president; W. L. Bulter, Business Men's Assurance, Kansas City, committee chairman; Lester S. Becker, Lincoln National, St. Louis, state chairman war bond committee; W. I. McBride, Equitable Life of Iowa, Columbia, second vice-president; M. M. McKenny, St. Joseph, treasurer.



The oil portrait of E. E. Rhodes, veteran vice-president of Mutual Benefit Life, which was presented to the company last week by general agents and agents, is shown above. It will be hung permanently in the recreation hall at the home office.



This picture shows a portion of the crowd of Union Central employees present at the presentation ceremonies at the home office, when a Minute Man flag and a service flag honoring the more than 130 employees and agents now in the armed forces were being raised. On the speaker's platform are Russell Wilson, former mayor of Cincinnati and a director of Union Central; Guy Randolph, chairman of the payroll allotment committee of the war savings staff for Hamilton county; Vice-president Richard S. Rust and Claude Lowther, president of the Union Central Employees War Activities Association.



W. B. Mahaffa of Rockwell City, Ia., representing Bankers Life of Iowa, sold \$242,000 insurance in 23 working days in July in territory which comprises two rural counties, population 30,000. In the last week of July his sales were \$109,000. About 90 per cent of the sales were to farmers.



At right—Officers of the Minneapolis Association of Life Underwriters for the present year: Left to right, Robert E. Shay, Bankers Life of Iowa, first vice-president; Ellis J. Sherman, formerly of Penn Mutual and now with Northwestern National Life, president, and Rollo H. Wells, Northwestern National, secretary-treasurer.



We call it

The Triple Protection Plan

- up-to-the-minute Life Insurance
- at low cost per thousand
- *triples* the basic amount of insurance payable during first 20 years
- during the period when your family will need it most
- timed perfectly to meet present-day conditions

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